



Reprinted
February 27, 2008

ENGROSSED HOUSE BILL No. 1125

DIGEST OF HB 1125 (Updated February 26, 2008 6:08 pm - DI 44)

Citations Affected: IC 6-1.1; IC 6-2.5; IC 6-3; IC 6-3.1; IC 6-6; IC 6-8; IC 6-8.1; IC 9-14; IC 9-17; IC 9-18; IC 9-29; noncode.

Synopsis: Taxation. Provides that for taxable years beginning after December 31, 2007, references in Indiana law to the Internal Revenue Code and related regulations refer to the law and regulations in effect on January 1, 2008. Excludes from state adjusted gross income any amount of the credit (including an advance refund of the credit) that is provided to an individual under the federal Economic Stimulus Act of 2008 and included in the individual's federal adjusted gross income. Provides that recreational vehicles and truck campers are subject to an excise tax instead of the property tax on personal property beginning January 1, 2010. Makes an appropriation to cover distributions of the excise tax. Excludes nonbusiness personal property (other than mobile
(Continued next page)

Effective: January 1, 2008 (retroactive); July 1, 2008; January 1, 2009.

Goodin

(SENATE SPONSORS — KENLEY, SIMPSON, DILLON)

January 8, 2008, read first time and referred to Committee on Ways and Means.
January 16, 2008, reported — Do Pass.
January 24, 2008, read second time, amended, ordered engrossed.
January 25, 2008, engrossed.
January 29, 2008, read third time, passed. Yeas 88, nays 3.

SENATE ACTION

January 29, 2008, read first time and referred to Committee on Tax and Fiscal Policy.
February 12, 2008, amended, reported favorably — Do Pass.
February 21, 2008, read second time, amended, ordered engrossed.
February 22, 2008, engrossed.
February 25, 2008, returned to second reading.
February 26, 2008, reread second time, amended, ordered engrossed.

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homes) from the definition of taxable personal property. Permits the department of local government finance to adjust levies, tax rates, and recreational vehicle and truck camper excise tax distributions to adjust for the effects of the elimination of property taxes on nonbusiness personal property. Provides that property, revenues, expenditures, and transactions of the NFL or the NCAA in connection with a Super Bowl or a men's or women's Final Four conducted after December 31, 2011, are exempt from taxation in Indiana for all purposes and that those events are exempt from the Marion County admissions tax. (Current law applies only to the Super Bowl that was described in a bid specification document dated October 2006.) Extends until December 31, 2011 (instead of December 31, 2008) the sales tax exemption for property directly used in qualified media productions. For purposes of the media production expenditure tax credit: (1) makes certain changes to the expenditures that are eligible for the credit; (2) requires a taxpayer to make at least \$500,000 of eligible expenditures during a taxable year in order to be eligible for a credit; (3) adds affiliated groups to the definition of a taxpayer; (4) requires approval of each credit by the Indiana economic development corporation (IEDC); (5) provides that the IEDC shall determine the extent, if any, to which a credit is refundable; and (6) provides that a taxpayer may not claim a carryover or carryback of any unused credit.

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February 27, 2008

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1125

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-1-11, AS AMENDED BY P.L.214-2005,
2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2009]: Sec. 11. (a) Subject to the limitation contained in
4 subsection (b), "personal property" means:

- 5 (1) nursery stock that has been severed from the ground;
- 6 (2) florists' stock of growing crops which are ready for sale as pot
- 7 plants on benches;
- 8 (3) billboards and other advertising devices which are located on
- 9 real property that is not owned by the owner of the devices;
- 10 ~~(4) motor vehicles, mobile houses, airplanes, boats not subject to~~
- 11 ~~the boat excise tax under IC 6-6-11, and trailers not subject to the~~
- 12 ~~trailer tax under IC 6-6-5;~~
- 13 ~~(5)~~ (4) foundations (other than foundations which support a
- 14 building or structure) on which machinery or equipment:
- 15 (A) held for sale in the ordinary course of a trade or
- 16 business;
- 17 (B) held, used, or consumed in connection with the

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production of income; or
(C) held as an investment;

is installed; ~~and~~

~~(6)~~ **(5)** all other tangible property (other than real property) which is being:

(A) held for sale in the ordinary course of a trade or business;

(B) held, used, or consumed in connection with the production of income; or

(C) held as an investment; **and**

(6) mobile homes that do not qualify as real property and are not described in subdivision (5).

(b) Personal property does not include the following:

(1) Commercially planted and growing crops while ~~they are~~ in the ground.

(2) Computer application software that is not held as inventory (as defined in IC 6-1.1-3-11).

SECTION 2. IC 6-1.1-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. The following property is not subject to assessment and taxation under this article:

(1) A commercial vessel that is subject to the net tonnage tax imposed under IC 6-6-6.

(2) A motor vehicle or trailer that is subject to the annual license excise tax imposed under IC 6-6-5.

(3) A **motorized** boat **or sailboat** that is subject to the boat excise tax imposed under IC 6-6-11.

(4) Property used by a cemetery (as defined in IC 23-14-33-7) if the cemetery:

(A) does not have a board of directors, board of trustees, or other governing authority other than the state or a political subdivision; and

(B) has had no business transaction during the preceding calendar year.

(5) A commercial vehicle that is subject to the annual excise tax imposed under IC 6-6-5.5.

(6) A recreational vehicle or truck camper that is subject to the annual excise tax imposed under IC 6-6-5.1.

SECTION 3. IC 6-2.5-5-41, AS AMENDED BY P.L.235-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 41. (a) As used in this section, "qualified media production" has the meaning set forth in IC 6-3.1-32-5.

(b) Except as provided in ~~subsections~~ **subsection** (d), ~~and (e)~~; a transaction involving tangible personal property is exempt from the

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state gross retail tax if the person acquiring the property acquires it for the person's direct use in a qualified media production in Indiana after December 31, 2006.

(c) For purposes of this section, the following are not considered to be directly used in the production of a qualified media production:

- (1) Food and beverage services.
- (2) A vehicle or other means of transportation used to transport actors, performers, crew members, or any other individual involved in a qualified media production.
- (3) Fuel, parts, supplies, or other consumables used in a vehicle or other means of transportation used to transport actors, performers, crew members, or any other individual involved in a qualified media production.
- (4) Lodging.
- (5) Packaging materials.

(d) A person is not entitled to an exemption under this section with respect to a transaction involving tangible personal property that is:

- (1) a qualified production expenditure (as defined in IC 6-3.1-32-6) for which a tax credit is claimed under IC 6-3.1-32; or
- (2) acquired for direct use in a qualified media production in Indiana if the transaction occurs after December 31, ~~2008~~ 2011.

SECTION 4. IC 6-3-1-3.5, AS AMENDED BY P.L.144-2007, SECTION 3, AS AMENDED BY P.L.211-2007, SECTION 19, AND AS AMENDED BY P.L.223-2007, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
- (3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).
- (4) Subtract one thousand dollars (\$1,000) for:
 - (A) each of the exemptions provided by Section 151(c) of the

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- 1 Internal Revenue Code;
 2 (B) each additional amount allowable under Section 63(f) of
 3 the Internal Revenue Code; and
 4 (C) the spouse of the taxpayer if a separate return is made by
 5 the taxpayer and if the spouse, for the calendar year in which
 6 the taxable year of the taxpayer begins, has no gross income
 7 and is not the dependent of another taxpayer.
- 8 (5) Subtract:
 9 (A) for taxable years beginning after December 31, 2004, one
 10 thousand five hundred dollars (\$1,500) for each of the
 11 exemptions allowed under Section 151(c)(1)(B) of the Internal
 12 Revenue Code (as effective January 1, 2004); and
 13 (B) five hundred dollars (\$500) for each additional amount
 14 allowable under Section 63(f)(1) of the Internal Revenue Code
 15 if the adjusted gross income of the taxpayer, or the taxpayer
 16 and the taxpayer's spouse in the case of a joint return, is less
 17 than forty thousand dollars (\$40,000).
 18 This amount is in addition to the amount subtracted under
 19 subdivision (4).
- 20 (6) Subtract an amount equal to the lesser of:
 21 (A) that part of the individual's adjusted gross income (as
 22 defined in Section 62 of the Internal Revenue Code) for that
 23 taxable year that is subject to a tax that is imposed by a
 24 political subdivision of another state and that is imposed on or
 25 measured by income; or
 26 (B) two thousand dollars (\$2,000).
- 27 (7) Add an amount equal to the total capital gain portion of a
 28 lump sum distribution (as defined in Section 402(e)(4)(D) of the
 29 Internal Revenue Code) if the lump sum distribution is received
 30 by the individual during the taxable year and if the capital gain
 31 portion of the distribution is taxed in the manner provided in
 32 Section 402 of the Internal Revenue Code.
- 33 (8) Subtract any amounts included in federal adjusted gross
 34 income under Section 111 of the Internal Revenue Code as a
 35 recovery of items previously deducted as an itemized deduction
 36 from adjusted gross income.
- 37 (9) Subtract any amounts included in federal adjusted gross
 38 income under the Internal Revenue Code which amounts were
 39 received by the individual as supplemental railroad retirement
 40 annuities under 45 U.S.C. 231 and which are not deductible under
 41 subdivision (1).
- 42 (10) Add an amount equal to the deduction allowed under Section

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221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted

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gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(23) Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.

~~(23)~~ **(24) Subtract income that is:**

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the individual's federal adjusted gross income under the Internal Revenue Code.

(25) Subtract any amount of a credit (including an advance refund of the credit) that is provided to an individual under 26 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and included in the individual's federal adjusted gross income.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue

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(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.

(10) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).

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~~(10)~~ (11) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the corporation's taxable income under the Internal Revenue Code.*

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal

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income tax purposes.

(9) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the insurance company's taxable income under the Internal Revenue Code.*

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year

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under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the insurance company's taxable income under the Internal Revenue Code.*

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(7) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

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(B) included in the taxpayer's taxable income under the Internal Revenue Code.

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars (\$2,500).

SECTION 5. IC 6-3-1-11, AS AMENDED BY P.L.234-2007, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 11. (a) The term "Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended and in effect on January 1, ~~2007~~ **2008**.

(b) Whenever the Internal Revenue Code is mentioned in this article, the particular provisions that are referred to, together with all the other provisions of the Internal Revenue Code in effect on January 1, ~~2007~~ **2008**, that pertain to the provisions specifically mentioned, shall be regarded as incorporated in this article by reference and have the same force and effect as though fully set forth in this article. To the extent the provisions apply to this article, regulations adopted under Section 7805(a) of the Internal Revenue Code and in effect on January 1, ~~2007~~ **2008**, shall be regarded as rules adopted by the department under this article, unless the department adopts specific rules that supersede the regulation.

(c) An amendment to the Internal Revenue Code made by an act passed by Congress before January 1, ~~2007~~ **2008**, that is effective for any taxable year that began before January 1, ~~2007~~ **2008**, and that affects:

(1) individual adjusted gross income (as defined in Section 62 of the Internal Revenue Code);

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(2) corporate taxable income (as defined in Section 63 of the Internal Revenue Code);

(3) trust and estate taxable income (as defined in Section 641(b) of the Internal Revenue Code);

(4) life insurance company taxable income (as defined in Section 801(b) of the Internal Revenue Code);

(5) mutual insurance company taxable income (as defined in Section 821(b) of the Internal Revenue Code); or

(6) taxable income (as defined in Section 832 of the Internal Revenue Code);

is also effective for that same taxable year for purposes of determining adjusted gross income under section 3.5 of this chapter.

SECTION 6. IC 6-3.1-32-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 0.5. As used in this chapter, "affiliated group" means any combination of the following:**

(1) An affiliated group within the meaning provided in Section 1504 of the Internal Revenue Code (except that the ownership percentage in Section 1504(a)(2) of the Internal Revenue Code shall be determined using fifty percent (50%) instead of eighty percent (80%)) or a pass through entity if a member of the affiliated group is a shareholder, partner, or member of the pass through entity and the member of the affiliated group is entitled to at least fifty percent (50%) of the distributive income or loss of the pass through entity.

(2) Two (2) or more partnerships (as defined in IC 6-3-1-19), including limited liability companies and limited liability partnerships, that have the same degree of mutual ownership as an affiliated group described in subdivision (1), as determined under rules adopted by the department.

SECTION 7. IC 6-3.1-32-6, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 6. (a) As used in this chapter, "qualified production expenditure" means any of the following expenses incurred in Indiana or expenditures in Indiana made in the direct production of a qualified media production in Indiana:**

(1) The payment of wages, salaries, and benefits to Indiana residents.

(2) Acquisition costs for a story or scenario used in the qualified media production.

(3) Acquisition costs for locations, sets, wardrobes, and accessories.

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(4) Expenditures for materials used to make sets, wardrobes, and accessories.

(5) Expenditures for photography, sound synchronization, lighting, and related services.

(6) Expenditures for editing and related services.

(7) Facility and equipment rentals.

~~(8) Food and lodging.~~

~~(9)~~ (8) Legal services if purchased from an attorney licensed to practice law in Indiana.

~~(10) Any other production expenditure for which taxes are assessed or imposed by the state.~~

(b) The term does not include expenditures for payments of wages, salaries, or benefits to an individual who is a director, a producer, a screenwriter, or an actor (excluding extras), unless the individual is a resident of Indiana.

SECTION 8. IC 6-3.1-32-8, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. As used in this chapter, "taxpayer" means an individual, **affiliated group**, or entity that has any state tax liability.

SECTION 9. IC 6-3.1-32-9, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. A qualified applicant that:

(1) incurs or makes qualified production expenditures of

~~(A) at least one five hundred thousand dollars (\$100,000); in the case of a qualified media production described in section 5(a)(1) of this chapter; or~~

~~(B) at least fifty thousand dollars (\$50,000); in the case of a qualified media production described in section 5(a)(2); 5(a)(3); 5(a)(4); or 5(a)(5) of this chapter; and (\$500,000)~~

during a taxable year;

(2) enters into an agreement with the corporation under section 13 of this chapter; and

~~(2)~~ (3) satisfies the **other** requirements of this chapter;

is entitled to a **refundable** tax credit as provided in this chapter.

SECTION 10. IC 6-3.1-32-11, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. ~~This section applies to a taxpayer that claims qualified production expenditures of at least six million dollars (\$6,000,000) in a taxable year for purposes of the tax credit under this chapter.~~ If the corporation approves the granting of a tax credit to the taxpayer under section 13 of this chapter, the amount of the tax credit to which the taxpayer is entitled under this chapter equals the product

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of:

- (1) the percentage determined by the corporation under section 13 of this chapter; multiplied by
- (2) the amount of the taxpayer's qualified production expenditures in the taxable year.

SECTION 11. IC 6-3.1-32-12, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. ~~(a)~~ To receive the tax credit provided by this chapter, a taxpayer must claim the tax credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department: ~~and~~

(1) a copy of the agreement entered into by the corporation and the taxpayer under section 13 of this chapter for the tax credit; and

(2) any other information that the department determines is necessary for the calculation of the credit provided under this chapter.

~~(b) In the case of a taxpayer that claims a tax credit under section 11 of this chapter, the taxpayer must also file with the taxpayer's annual state tax return or returns a copy of the agreement entered into by the corporation and the taxpayer under section 13 of this chapter for the tax credit.~~

SECTION 12. IC 6-3.1-32-13, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. (a) A taxpayer that proposes to claim a tax credit under ~~section 11~~ of this chapter must, before incurring or making the qualified production expenditures, apply to the corporation for approval of the tax credit.

(b) After receiving an application under subsection (a), the corporation may enter into an agreement with the applicant for a tax credit under ~~section 11~~ of this chapter if the corporation determines that:

- (1) the applicant's proposed qualified media production:
 - (A) is economically viable; and
 - (B) will increase economic growth and job creation in Indiana;~~and~~
- (2) the applicant's proposed qualified media production and qualified production expenditures otherwise satisfy the requirements of this chapter; **and**
- (3) the applicant will make or incur qualified production expenses of at least five hundred thousand dollars (\$500,000) during the taxable year for which the credit is claimed.**

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(c) If the corporation and an applicant enter into an agreement under this section, the agreement must specify the following:

(1) The percentage to be used under section 11(1) of this chapter in determining the amount of the tax credit. The percentage may not be more than fifteen percent (15%).

(2) Any requirements or restrictions that the applicant must satisfy before the applicant may claim the tax credit.

(3) The extent, if any, to which the tax credit is refundable if the amount of the tax credit exceeds the taxpayer's state tax liability for the taxable year.

(d) The maximum amount of tax credits that the corporation may approve under this ~~section~~ **chapter** during a particular taxable year for all taxpayers is five million dollars (\$5,000,000).

SECTION 13. IC 6-3.1-32-14, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 14. If the amount of the tax credit provided under this chapter to a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer is entitled to a refund of the excess **only to the extent provided by the agreement entered into by the corporation and the taxpayer under section 13 of this chapter. A taxpayer is not entitled to a carryback or carryover of any unused credit.**

SECTION 14. IC 6-6-5.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]:

Chapter 5.1. Excise Tax on Recreational Vehicles and Truck Campers

Sec. 1. This chapter does not apply to the following:

(1) A vehicle subject to the motor vehicle excise tax under IC 6-6-5.

(2) A vehicle owned or leased and operated by the United States, the state, or a political subdivision of the state.

(3) A mobile home.

(4) A vehicle assessed under IC 6-1.1-8.

(5) A vehicle subject to the commercial vehicle excise tax under IC 6-6-5.5.

(6) A trailer subject to the annual excise tax imposed under IC 6-6-5-5.5.

(7) A bus (as defined in IC 9-13-2-17(a)).

(8) A vehicle owned or leased and operated by a postsecondary educational institution (as described in IC 6-3-3-5(d)).

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(9) A vehicle owned or leased and operated by a volunteer fire department (as defined in IC 36-8-12-2).

(10) A vehicle owned or leased and operated by a volunteer emergency ambulance service that:

(A) meets the requirements of IC 16-31; and

(B) has only members who serve for no compensation or a nominal annual compensation of not more than three thousand five hundred dollars (\$3,500).

(11) A vehicle that is exempt from the payment of registration fees under IC 9-18-3-1.

(12) A farm wagon.

(13) A recreational vehicle or truck camper in the inventory of recreational vehicles and truck campers held for sale by a manufacturer, distributor, or dealer in the course of business.

Sec. 2. As used in this chapter, "bureau" refers to the bureau of motor vehicles.

Sec. 3. As used in this chapter, "last preceding annual excise tax liability" means the amount of excise tax liability to which a recreational vehicle or truck camper was subject on the owner's last preceding regular annual registration date or to which:

(1) the recreational vehicle would have been subject if the recreational vehicle had been registered; or

(2) the truck camper would have been subject if the truck camper had been owned by the owner and located in Indiana; on the owner's last preceding regular annual registration date.

Sec. 4. As used in this chapter, "mobile home" has the meaning set forth in IC 6-1.1-7-1.

Sec. 5. As used in this chapter, "owner" means:

(1) in the case of a recreational vehicle, the person in whose name the recreational vehicle is registered under IC 9-18; or

(2) in the case of a truck camper, the person holding title to the truck camper.

Sec. 6. As used in this chapter, "recreational vehicle" has the meaning set forth in IC 9-13-2-150(a).

Sec. 7. As used in this chapter, "trailer" has the meaning set forth in IC 6-6-5-1(h).

Sec. 8. As used in this chapter, "truck camper" means a device without motive power that is installed in the bed of a truck to provide living quarters for persons traveling on public highways.

Sec. 9. As used in this chapter, "vehicle" has the meaning set forth in IC 9-13-2-196(a).

Sec. 10. (a) Beginning January 1, 2010, there is imposed an

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annual license excise tax on recreational vehicles and truck campers. The excise tax is imposed instead of the ad valorem property tax levied for state or local purposes but in addition to any registration fees imposed on recreational vehicles.

(b) The tax imposed by this chapter is a listed tax and subject to IC 6-8.1.

(c) A recreational vehicle subject to this chapter may not be assessed as personal property for the purpose of the assessment and levy of personal property taxes after December 31, 2008, and is not subject to ad valorem taxes first due and payable after December 31, 2009, regardless of whether the recreational vehicle is registered under the state motor vehicle registration laws. A person may not be required to give proof of the payment of ad valorem taxes as a condition to the registration of a recreational vehicle subject to the tax imposed by this chapter.

(d) A truck camper subject to this chapter may not be assessed as personal property for the purpose of the assessment and levy of personal property taxes after December 31, 2008, and is not subject to ad valorem taxes first due and payable after December 31, 2009.

Sec. 11. As the basis for measuring the tax imposed by this chapter, the bureau shall determine the value of each recreational vehicle and truck camper as of the time it is first offered for sale in Indiana as a new recreational vehicle or truck camper. The bureau shall adopt rules under IC 4-22-2 for determining the value of recreational vehicles and truck campers by using:

(1) the factory advertised delivered price or the port of entry price; or

(2) any other information available.

Sec. 12. After determining the value of a recreational vehicle or truck camper under section 11 of this chapter, the bureau shall classify every recreational vehicle and truck camper in its proper class by value according to the following classification plan:

Class	I	less than \$2,250	
Class	II	at least \$ 2,250	but less than \$ 4,000
Class	III	at least \$ 4,000	but less than \$ 7,000
Class	IV	at least \$ 7,000	but less than \$ 10,000
Class	V	at least \$10,000	but less than \$ 15,000
Class	VI	at least \$15,000	but less than \$ 22,000
Class	VII	at least \$22,000	but less than \$ 30,000
Class	VIII	at least \$30,000	but less than \$ 42,500
Class	IX	at least \$42,500	but less than \$ 50,000
Class	X	at least \$50,000	but less than \$ 60,000



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1	Class	XI	at least \$60,000	but less than \$ 70,000
2	Class	XII	at least \$70,000	but less than \$ 80,000
3	Class	XIII	at least \$80,000	but less than \$ 90,000
4	Class	XIV	at least \$90,000	but less than \$100,000
5	Class	XV	at least \$100,000	but less than \$150,000
6	Class	XVI	at least \$150,000	but less than \$200,000
7	Class	XVII	at least \$200,000	

8 Sec. 13. (a) Subject to any reductions permitted under this
 9 chapter, the amount of tax imposed under this chapter on a
 10 recreational vehicle or truck camper is prescribed by the schedule
 11 set out in subsection (c). The amount of tax imposed by this chapter
 12 is determined using:

13 (1) the classification of the recreational vehicle or truck
 14 camper under section 12 of this chapter; and

15 (2) the age of the recreational vehicle or truck camper.

16 (b) If a person who owns a recreational vehicle or truck camper
 17 is entitled to an ad valorem property tax assessed valuation
 18 deduction under IC 6-1.1-12-13, IC 6-1.1-12-14, IC 6-1.1-12-16, or
 19 IC 6-1.1-12-17.4 in a year in which a tax is imposed by this chapter
 20 and any part of the deduction is unused after allowance of the
 21 deduction on real property and personal property owned by the
 22 person, the person is entitled to a credit that reduces the annual tax
 23 imposed by this chapter. The amount of the credit is determined by
 24 multiplying the amount of the unused deduction by two (2) and
 25 dividing the result by one hundred (100). The county auditor shall,
 26 upon request, furnish a certified statement to the person verifying
 27 the credit allowable under this subsection. The statement shall be
 28 presented to and retained by the bureau to support the credit.

29 (c) The tax schedule for each class of recreational vehicles and
 30 truck campers is as follows:

31	Year of					
32	Manufacture	I	II	III	IV	V
33	1st	\$15	\$36	\$50	\$59	\$103
34	2nd	12	31	43	51	91
35	3rd	12	26	35	41	75
36	4th	12	20	28	38	62
37	5th	12	15	20	34	53
38	6th	12	12	15	26	41
39	7th	12	12	12	16	32
40	8th	12	12	12	13	21
41	9th	12	12	12	12	13
42	10th	12	12	12	12	12



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1	and thereafter					
2	Year of					
3	Manufacture	VI	VII	VIII		
4	1st	\$164	\$241	\$346		
5	2nd	148	212	302		
6	3rd	131	185	261		
7	4th	110	161	223		
8	5th	89	131	191		
9	6th	68	108	155		
10	7th	53	86	126		
11	8th	36	71	97		
12	9th	23	35	48		
13	10th	12	12	17		
14	and thereafter					
15	Year of					
16	Manufacture	IX	X	XI	XII	
17	1st	\$470	\$667	\$879	\$1,045	
18	2nd	412	572	763	907	
19	3rd	360	507	658	782	
20	4th	307	407	574	682	
21	5th	253	341	489	581	
22	6th	204	279	400	475	
23	7th	163	224	317	377	
24	8th	116	154	214	254	
25	9th	55	70	104	123	
26	10th	25	33	46	55	
27	and thereafter					
28	Year of					
29	Manufacture	XIII	XIV	XV	XVI	XVII
30	1st	\$1,235	\$1,425	\$1,615	\$1,805	\$2,375
31	2nd	1,072	1,236	1,401	1,566	2,060
32	3rd	924	1,066	1,208	1,350	1,777
33	4th	806	929	1,053	1,177	1,549
34	5th	687	793	898	1,004	1,321
35	6th	562	648	734	821	1,080
36	7th	445	514	582	651	856
37	8th	300	346	392	439	577
38	9th	146	168	190	213	280
39	10th	64	74	84	94	123
40	and thereafter.					
41	(d) Each recreational vehicle or truck camper shall be taxed as					
42	a recreational vehicle or truck camper in its first year of					

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1 manufacture throughout the calendar year in which a recreational
 2 vehicle or truck camper of that make and model is first offered for
 3 sale in Indiana. However, a recreational vehicle or truck camper
 4 of a make and model first offered for sale in Indiana after August
 5 1 of any year continues to be taxed as a recreational vehicle or
 6 truck camper in its first year of manufacture until the end of the
 7 calendar year following the year in which it is first offered for sale.
 8 Thereafter, the recreational vehicle or truck camper shall be
 9 considered to have aged one (1) year as of January 1 of each year.

10 Sec. 14. (a) Except as otherwise provided in this chapter, the tax
 11 imposed on a recreational vehicle by this chapter is payable for
 12 each registration year by the owner with respect to a recreational
 13 vehicle required to be registered for the registration year as
 14 provided in the state motor vehicle laws. Except as provided in
 15 section 15 of this chapter, the tax is due on or before the regular
 16 annual registration date in each year on or before which the owner
 17 is required under the state motor vehicle registration laws to
 18 register vehicles. The tax shall be paid to the bureau at the time the
 19 recreational vehicle is registered by the owner as provided in the
 20 state motor vehicle registration laws. A recreational vehicle subject
 21 to taxation under this chapter shall be registered by the owner as
 22 being taxable in the county of the owner's residence. The payment
 23 of the tax imposed by this chapter is a condition to the right to
 24 register or reregister the recreational vehicle and is in addition to
 25 all other conditions prescribed by law.

26 (b) The tax imposed on a truck camper by this chapter is due on
 27 or before the annual registration date in each year on or before
 28 which the owner is required under the state motor vehicle
 29 registration laws to register vehicles. The tax on the truck camper
 30 must be paid to the bureau. A truck camper subject to taxation
 31 under this chapter is taxable in the county of the owner's residence.

32 (c) A voucher from the department of state revenue showing
 33 payment of the tax imposed by this chapter may be accepted by the
 34 bureau instead of a payment under subsection (a).

35 Sec. 15. (a) This section applies only to recreational vehicles.

36 (b) With respect to a recreational vehicle that has been
 37 acquired, has been brought into Indiana, or for any other reason
 38 becomes subject to registration after the regular annual
 39 registration date in the year on or before which the owner of the
 40 recreational vehicle is required under the state motor vehicle
 41 registration laws to register vehicles, the tax imposed by this
 42 chapter is due and payable at the time the recreational vehicle is

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1 acquired, is brought into Indiana, or otherwise becomes subject to
 2 registration. The amount of tax to be paid by the owner for the
 3 remainder of the year shall be reduced by ten percent (10%) for
 4 each full calendar month that has elapsed since the regular annual
 5 registration date in the year fixed by the state motor vehicle
 6 registration laws for annual registration by the owner. The tax
 7 shall be paid at the time of the registration of the recreational
 8 vehicle.

9 (c) If a recreational vehicle is acquired, is brought into Indiana,
 10 or for any other reason becomes subject to registration after
 11 January 1 of any year, the owner may pay the applicable
 12 registration fee on the recreational vehicle as provided in the state
 13 motor vehicle registration laws and may pay any excise tax due on
 14 the recreational vehicle for the remainder of the annual
 15 registration year and simultaneously register the recreational
 16 vehicle and pay the applicable registration fee and the excise tax
 17 due for the next succeeding annual registration year.

18 (d) Except as provided in subsection (h), a reduction in the
 19 applicable annual excise tax may not be allowed to an Indiana
 20 resident applicant upon registration of a recreational vehicle that
 21 was owned by the applicant on or before the first day of the
 22 applicant's annual registration period. A recreational vehicle that
 23 is owned by an Indiana resident applicant and that was located in
 24 and registered for use in another state during the same calendar
 25 year is entitled to the same reduction when registered in Indiana.

26 (e) The owner of a recreational vehicle who sells the recreational
 27 vehicle in a year in which the owner has paid the tax imposed by
 28 this chapter shall receive a credit equal to the remainder of:

- 29 (1) the tax paid for the recreational vehicle; minus
- 30 (2) ten percent (10%) for each full or partial calendar month
- 31 that has elapsed in the owner's annual registration year
- 32 before the date of the sale.

33 The credit shall be applied to the tax due on any other recreational
 34 vehicle purchased or subsequently registered by the owner in the
 35 owner's annual registration year. If the credit is not fully used and
 36 the amount of the credit remaining is at least four dollars (\$4), the
 37 owner is entitled to a refund in the amount of the unused credit.
 38 The owner must pay a fee of three dollars (\$3) to the bureau to
 39 cover costs of providing the refund, which may be deducted from
 40 the refund. The bureau shall issue the refund. The bureau shall
 41 transfer three dollars (\$3) of the fee to the bureau of motor vehicles
 42 commission to cover the commission's costs in processing the

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1 refund. To claim the credit and refund provided by this subsection,
2 the owner of the recreational vehicle must present to the bureau
3 proof of sale of the recreational vehicle.

4 (f) Subject to the requirements of subsection (g), if a
5 recreational vehicle is destroyed in a year in which the owner has
6 paid the tax imposed by this chapter and the recreational vehicle
7 is not replaced by a replacement vehicle for which a credit is issued
8 under this section, the owner is entitled to a refund in an amount
9 equal to ten percent (10%) of the tax paid for each full calendar
10 month remaining in the owner's annual registration year after the
11 date of destruction, but only upon presentation or return to the
12 bureau of the following:

- 13 (1) A request for refund on a form furnished by the bureau.
- 14 (2) A statement of proof of destruction on an affidavit
15 furnished by the bureau.
- 16 (3) The license plate from the recreational vehicle.
- 17 (4) The registration from the recreational vehicle.

18 However, the refund may not exceed ninety percent (90%) of the
19 tax paid on the destroyed recreational vehicle. The amount shall be
20 refunded by a warrant issued by the auditor of the county that
21 received the excise tax revenue and shall be paid out of the special
22 account created under section 21 of this chapter for settlement of
23 the excise tax collections. For purposes of this subsection, a
24 recreational vehicle is considered destroyed if the cost of repair of
25 damages suffered by the recreational vehicle exceeds the
26 recreational vehicle's fair market value.

27 (g) To claim a refund under subsection (f) for a recreational
28 vehicle that is destroyed, the owner of the recreational vehicle must
29 present to the bureau a valid registration for the recreational
30 vehicle within ninety (90) days after the date that the recreational
31 vehicle is destroyed. The bureau shall then fix the amount of the
32 refund that the owner is entitled to receive.

33 (h) If the name of the owner of a recreational vehicle is legally
34 changed and the change has caused a change in the owner's annual
35 registration date, the excise tax liability of the owner for the
36 recreational vehicle shall be adjusted as follows:

- 37 (1) If the name change requires the owner to register sooner
38 than the owner would have been required to register if there
39 had been no name change, the owner is, at the time the name
40 change is reported, entitled to a refund from the county
41 treasurer in the amount of the product of:

42 (A) ten percent (10%) of the owner's last preceding annual

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excise tax liability; multiplied by

(B) the number of full calendar months beginning after the owner's new regular annual registration month and ending before the next succeeding regular annual registration month that is based on the owner's former name.

(2) If the name change requires the owner to register later than the owner would have been required to register if there had been no name change, the recreational vehicle is subject to excise tax for the period beginning after the month in which the owner would have been required to register if there had been no name change and ending before the owner's new regular annual registration month in the amount of the product of:

(A) ten percent (10%) of the owner's excise tax liability computed as of the time the owner would have been required to register if there had been no name change; multiplied by

(B) the number of full calendar months beginning after the month in which the owner would have been required to register if there had been no name change and ending before the owner's new regular annual registration month.

Sec. 16. (a) This section applies only to truck campers.

(b) With respect to a truck camper that has been acquired, has been brought into Indiana, or for any other reason becomes subject to taxation after the regular annual registration date in the year on or before which the owner of the truck camper is required under the state motor vehicle registration laws to register vehicles, the tax imposed by this chapter is due and payable at the time the truck camper is acquired, is brought into Indiana, or otherwise becomes subject to taxation under this chapter. The amount of tax to be paid by the owner for the remainder of the year shall be reduced by ten percent (10%) for each full calendar month that has elapsed since the regular annual registration date in the year fixed by the state motor vehicle registration laws for annual registration by the owner. The tax shall be paid within thirty (30) days after the date on which the truck camper is acquired, is brought into Indiana, or otherwise becomes subject to taxation under this chapter.

(c) If a truck camper is acquired, is brought into Indiana, or for any other reason becomes subject to taxation under this chapter after January 1 of any year, the owner may pay any excise tax due on the truck camper for the remainder of the annual registration year and simultaneously pay the excise tax due for the next

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1 succeeding annual registration year.

2 (d) The owner of a truck camper who sells the truck camper in
3 a year in which the owner has paid the tax imposed by this chapter
4 shall receive a credit equal to the remainder of:

5 (1) the tax paid for the truck camper; reduced by

6 (2) ten percent (10%) for each full or partial calendar month
7 that has elapsed in the owner's annual registration year
8 before the date of the sale.

9 The credit shall be applied to the tax due on any other truck
10 camper acquired by the owner in the owner's annual registration
11 year. If the credit is not fully used and the amount of the credit
12 remaining is at least four dollars (\$4), the owner is entitled to a
13 refund in the amount of the unused credit. The owner must pay a
14 fee of three dollars (\$3) to the bureau to cover the costs of
15 providing the refund, which may be deducted from the refund. The
16 bureau shall issue the refund. The bureau shall transfer three
17 dollars (\$3) of the fee to the bureau of motor vehicles commission
18 to cover the commission's costs in processing the refund. To claim
19 the credit and refund provided by this subsection, the owner of the
20 truck camper must present to the bureau proof of sale of the truck
21 camper.

22 (e) Subject to the requirements of subsection (f), if a truck
23 camper is destroyed in a year in which the owner has paid the tax
24 imposed by this chapter and the truck camper is not replaced by a
25 replacement truck camper for which a credit is issued under this
26 section, the owner is entitled to a refund in an amount equal to ten
27 percent (10%) of the tax paid for each full calendar month
28 remaining in the owner's annual registration year after the date of
29 destruction, but only upon presentation or return to the bureau of
30 the following:

31 (1) A request for refund on a form furnished by the bureau.

32 (2) A statement of proof of destruction on an affidavit
33 furnished by the bureau.

34 However, the refund may not exceed ninety percent (90%) of the
35 tax paid on the destroyed truck camper. The amount shall be
36 refunded by a warrant issued by the auditor of the county that
37 received the excise tax revenue and shall be paid out of the special
38 account created under section 21 of this chapter for settlement of
39 the excise tax collections. For purposes of this subsection, a truck
40 camper is considered destroyed if the cost of repair of damages
41 suffered by the truck camper exceeds the truck camper's fair
42 market value.

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(f) To claim a refund under subsection (e) for a truck camper that is destroyed, the owner of the truck camper must present to the bureau a valid receipt for the excise tax paid under this chapter on the truck camper within ninety (90) days after the date that the truck camper is destroyed. The bureau shall then fix the amount of the refund that the owner is entitled to receive.

(g) If the name of the owner of a truck camper is legally changed and the change has caused a change in the owner's annual registration date, the excise tax liability of the owner for the truck camper shall be adjusted as follows:

(1) If the name change requires the owner to register a motor vehicle sooner than the owner would have been required to register if there had been no name change, the owner is, at the time the name change is reported, entitled to a refund from the county treasurer in the amount of the product of:

(A) ten percent (10%) of the owner's last preceding annual excise tax liability; multiplied by

(B) the number of full calendar months beginning after the owner's new regular annual registration month and ending before the next succeeding regular annual registration month that is based on the owner's former name.

(2) If the name change requires the owner to register a motor vehicle later than the owner would have been required to register if there had been no name change, the truck camper is subject to excise tax for the period beginning after the month in which the owner would have been required to register if there had been no name change and ending before the owner's new regular annual registration month in the amount of the product of:

(A) ten percent (10%) of the owner's excise tax liability computed as of the time the owner would have been required to register a motor vehicle if there had been no name change; multiplied by

(B) the number of full calendar months beginning after the month in which the owner would have been required to register a motor vehicle if there had been no name change and ending before the owner's new regular annual registration month.

Sec. 17. (a) This section applies only to recreational vehicles.

(b) The owner of a recreational vehicle registered with the bureau is entitled to a refund of taxes paid under this chapter if, after the owner's regular registration date, the owner:

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(1) registers the recreational vehicle for use in another state;
and

(2) pays tax for use of the recreational vehicle to another state for the same period for which the tax was paid under this chapter.

(c) The refund provided under subsection (b) is equal to:

(1) the annual license excise tax paid for use of the recreational vehicle by the owner of the vehicle for the year; minus

(2) ten percent (10%) of the annual license excise tax paid for use of the recreational vehicle for each full or partial calendar month beginning after the date the annual license excise tax was due and ending before the date the owner registered the recreational vehicle for use in another state.

(d) To claim the refund provided by this section, the owner of the recreational vehicle must provide the bureau with:

(1) a request for a refund on a form furnished by the bureau;
and

(2) proof that a tax described in subsection (b)(2) was paid.

Sec. 18. (a) This section applies only to truck campers.

(b) The owner of a truck camper is entitled to a refund of taxes paid under this chapter if, after the owner's regular vehicle registration date:

(1) the owner moves and registers the truck on which the truck camper is installed for use in another state;

(2) the owner pays tax for use of the truck camper to another state for the same period for which the tax was paid under this chapter; and

(3) the truck camper is located and used in the other state for the same period for which the tax was paid under this chapter.

(c) The refund provided under subsection (b) is equal to:

(1) the annual excise tax paid for use of the truck camper by the owner of the truck camper for the year; minus

(2) ten percent (10%) of the annual excise tax paid for use of the truck camper for each full or partial calendar month beginning after the date the annual excise tax was due and ending before the date the owner registered the truck for use in another state.

Sec. 19. (a) To claim a credit or refund, or both, under this chapter, a person must provide a sworn statement to the bureau or to an agent branch of the bureau that the person is entitled to the

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1 credit or refund, or both, claimed by the person.

2 (b) The bureau may inspect records of a person claiming a
3 credit or refund, or both, under this chapter to determine if a
4 credit or refund, or both, were properly allowed against the excise
5 tax imposed on a recreational vehicle or truck camper owned by
6 the person.

7 (c) If the bureau determines that a credit or refund, or both,
8 were improperly allowed for a recreational vehicle or truck
9 camper, the person who claimed the credit or refund, or both, shall
10 pay the bureau an amount equal to the credit or refund, or both,
11 improperly allowed to the person plus a penalty of ten percent
12 (10%) of the credit or refund, or both, improperly allowed. The tax
13 collected under this subsection shall be paid to the county treasurer
14 of the county in which the person resides. However, a penalty
15 collected under this subsection shall be retained by the bureau.

16 Sec. 20. (a) The bureau shall include on all registration forms
17 for recreational vehicles suitable spaces for the applicant's Social
18 Security number or federal tax identification number, the amount
19 of the registration fee, the amount of excise tax, the amount of a
20 credit, if any, provided under section 13 of this chapter, and the
21 total amount of payment due on account of the applicable
22 registration fees and excise taxes upon the registration of the
23 recreational vehicle. The forms must include spaces for showing
24 the county, city or town, township, and address of the owner's
25 residence.

26 (b) The bureau shall list on all registration forms for
27 recreational vehicles the amount of registration fees and taxes due.
28 In addition, the bureau shall prepare by December 1 of each year
29 a schedule showing the excise tax payable on each make and model
30 of recreational vehicle or truck camper.

31 Sec. 21. (a) The bureau, in the administration and collection of
32 the tax imposed by this chapter, may use the services and facilities
33 of license branches operated under IC 9-16 in the bureau's
34 administration of the state motor vehicle registration laws. The
35 license branches may be used in the manner and to the extent the
36 bureau considers necessary and proper to implement and
37 effectuate the administration and collection of the excise tax
38 imposed by this chapter. However, if the bureau uses the license
39 branches in the collection of excise taxes, the following apply:

40 (1) The excise taxes collected by each license branch, less any
41 refunds made by the license branch, shall be deposited daily
42 by the license branch in a separate account in a depository

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designated by the state board of finance. The county treasurer of the county for which the collections are due may withdraw funds from the account at least two (2) times each week. The county treasurer is responsible for the safekeeping and investment of money withdrawn by the county treasurer under this subdivision. Before the eleventh day of the month following the month in which the collections are made, the bureau shall report the excise taxes collected and refunds made outside the county to the county treasurer of the county to which the collections are due and the refunds apply. The bureau shall forward a copy of the excise tax report to the county auditor of the county.

(2) A license branch shall each week forward a report to the county auditor of the county to which the collections are due, showing the excise tax collected by the license branch on each recreational vehicle or truck camper, each refund made by the license branch on a recreational vehicle or truck camper, and a copy of each registration certificate for all collections and refunds of excise tax by the license branch within the county.

(3) Each license branch shall report to the bureau all excise taxes collected and refunds made by the license branch under this chapter in the same manner and at the same time as registration fees are reported.

(4) Premiums for insurance to protect the funds collected by license branches against theft shall be paid by the bureau, except that the bureau may issue blanket coverage for all branches. The bureau may:

(A) self-insure to cover the activities of the license branches; or

(B) rather than purchase a bond or crime insurance policy for each branch, purchase a single blanket bond or crime insurance policy endorsed to include faithful performance to cover all branches.

(5) If the services of a license branch are used by the bureau in the collection of the excise tax imposed by this chapter, the license branch shall collect the service charge prescribed under IC 9-29 for each vehicle registered on which an excise tax is collected by that branch.

(6) If the excise tax imposed by this chapter is collected by the department of state revenue, the money collected shall be deposited in the state general fund to the credit of the

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appropriate county and reported to the bureau on the first working day following the week of collection. Except as provided in subdivision (7), money collected by the department that represents interest or a penalty shall be retained by the department and used to pay the department's costs of enforcing this chapter.

(7) This subdivision applies only to interest or a penalty collected by the department of state revenue from a person who:

(A) fails to properly register a recreational vehicle as required by IC 9-18 and pay the tax due under this chapter; and

(B) during any time after the date by which the recreational vehicle was required to be registered under IC 9-18 displays on the recreational vehicle a license plate issued by another state.

The total amount collected by the department of state revenue that represents interest or a penalty, minus a reasonable amount determined by the department to represent its administrative expenses, shall be deposited in the state general fund to the credit of the county in which the person resides. The amount shall be reported to the bureau on the first working day following the week of collection.

The bureau may contract with a bank card or credit card vendor for acceptance of bank cards or credit cards. However, if a bank card or credit card vendor charges a vendor transaction charge or discount fee, whether billed to the bureau or charged directly to the bureau's account, the bureau shall collect from a person using the card an official fee that may not exceed the highest transaction charge or discount fee charged to the bureau by bank card or credit card vendors during the most recent collection period. The fee may be collected regardless of retail merchant agreements between the bank card and credit card vendors that may prohibit such a fee. The fee is a permitted additional charge under IC 24-4.5-3-202.

(b) On or before April 1 of each year, the bureau shall provide to the auditor of state the amount of taxes collected under this chapter for each county for the preceding year.

(c) On or before May 10 and November 10 of each year, the auditor of state shall distribute to each county one-half (1/2) of:

- (1) the amount of delinquent taxes; and
- (2) any interest or penalty described in subsection (a)(7);

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1 that have been credited to the county under subsection (a). There
 2 is appropriated from the state general fund the amount necessary
 3 to make the distributions required by this subsection. The county
 4 auditor shall apportion and distribute the delinquent tax
 5 distributions to the taxing units in the county at the same time and
 6 in the same manner as excise taxes are apportioned and distributed
 7 under section 22 of this chapter.

8 (d) The insurance commissioner shall prescribe the form of the
 9 bonds or crime insurance policies required by this section.

10 Sec. 22. (a) The bureau shall establish procedures necessary for
 11 the collection and proper accounting of the tax imposed by this
 12 chapter. The necessary forms and records are subject to approval
 13 by the state board of accounts.

14 (b) The county treasurer, upon receiving the excise tax
 15 collections, shall place the collections into a separate account for
 16 settlement at the same time as property taxes are accounted for
 17 and settled in June and December of each year, with the right and
 18 duty of the county treasurer and county auditor to make advances
 19 before the time of final settlement of property taxes in the same
 20 manner as provided in IC 5-13-6-3.

21 (c) The county auditor shall determine the total amount of
 22 excise taxes collected under this chapter for each taxing unit in the
 23 county. The amount collected shall be apportioned and distributed
 24 among the respective funds of each taxing unit in the same manner
 25 and at the same time as property taxes are apportioned and
 26 distributed.

27 (d) The determination under subsection (c) shall be made from
 28 copies of vehicle registration forms and receipts for excise taxes
 29 paid on truck campers furnished by the bureau. Before the
 30 determination, the county assessor shall, from copies of
 31 registration forms and receipts, verify information pertaining to
 32 legal residence of persons owning taxable recreational vehicles and
 33 truck campers from the county assessor's records, to the extent the
 34 verification can be made. The county assessor shall further identify
 35 and verify from the assessor's records the taxing units within
 36 which the persons reside.

37 (e) Verifications under subsection (d) shall be completed not
 38 later than thirty (30) days after receipt of vehicle registration
 39 forms and receipts by the county assessor. The county assessor
 40 shall certify the information to the county auditor for the county
 41 auditor's use when the information is checked and completed.

42 Sec. 23. The county auditor shall, from the copies of vehicle

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1 registration forms and truck camper receipts furnished by the
 2 bureau, verify and determine the total amount of excise taxes
 3 collected under this chapter for each taxing unit in the county. The
 4 bureau shall verify the collections reported by the branches and
 5 provide the county auditor adequate and accurate audit
 6 information, registration form information, truck camper receipts,
 7 records, and materials to support the proper assessment,
 8 collection, and refund of excise taxes under this chapter.

9 Sec. 24. The county auditor shall, not later than August 1 of a
 10 year, furnish to the proper officer of each political subdivision an
 11 estimate of the money to be distributed to the taxing units under
 12 this chapter during the next calendar year. The budget of each
 13 political subdivision must show the estimated amounts to be
 14 received for each fund for which a property tax is proposed to be
 15 levied.

16 Sec. 25. (a) An owner of a recreational vehicle who knowingly
 17 registers the recreational vehicle without paying the tax required
 18 by this chapter commits a Class B misdemeanor.

19 (b) An employee of the bureau or a branch manager or
 20 employee of a license branch office who recklessly issues a
 21 registration on any recreational vehicle without collecting the tax
 22 required to be collected under this chapter with the registration
 23 commits a Class B misdemeanor.

24 Sec. 26. The registration of a recreational vehicle registered
 25 without payment of the tax imposed by this chapter is void. The
 26 bureau shall take possession of the registration certificate, license
 27 plate, and other evidence of registration until the owner pays the
 28 delinquent taxes and an additional fee of ten dollars (\$10) to
 29 compensate the bureau for performing the additional duties.

30 Sec. 27. In the administration and collection of the taxes
 31 imposed by this chapter, the bureau may contract with a collection
 32 agency that is authorized to collect and receive property taxes on
 33 behalf of the county treasurer. A collection agency with which the
 34 bureau contracts may collect on behalf of the bureau the taxes
 35 imposed by this chapter and the registration fees and charges as
 36 the bureau directs. A collection agency that contracts with the
 37 bureau under this section shall comply with the requirements
 38 concerning the collection of property taxes on behalf of county
 39 treasurers and other requirements, including the posting of a bond,
 40 as may be established by the bureau.

41 Sec. 28. (a) The tax imposed by this chapter is equal to an
 42 average property tax rate of two dollars (\$2) on each one hundred

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dollars (\$100) of taxable value.

(b) For purposes of limitations on indebtedness of political or municipal corporations imposed by Article 13, Section 1 of the Constitution of the State of Indiana, recreational vehicles and truck campers subject to the tax under this chapter are considered to be taxable property within each political or municipal corporation where the owner resides.

(c) The assessed valuation of recreational vehicles and truck campers subject to the tax under this chapter shall be determined by multiplying the amount of the tax by one hundred (100) and dividing the result by two dollars (\$2).

Sec. 29. In the administration and collection of the tax imposed by this chapter, the bureau may coordinate and consolidate the collection of the taxes imposed on all recreational vehicles and truck campers owned by a taxpayer following procedures the bureau considers reasonable and feasible, including the revocation of all registrations of recreational vehicles registered by the owner if the owner willfully fails and refuses to pay the tax imposed by this chapter. Upon a revocation of registration, the bureau shall notify the department of state revenue of the name and address of the taxpayer.

SECTION 15. IC 6-8-12-1, AS ADDED BY P.L.234-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. As used in this chapter, "eligible entity" means:

- (1) the National Football League and its affiliates; ~~as defined in the National Football League document titled "SUPER BOWL XLV HOST CITY BID SPECIFICATIONS & REQUIREMENTS" dated October 2006; and~~
- (2) the National Collegiate Athletic Association and its affiliates.

SECTION 16. IC 6-8-12-2, AS ADDED BY P.L.234-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. As used in this chapter, "eligible event" means:

- (1) an event known as the Super Bowl that is conducted ~~after~~ **December 31, 2011**, by an eligible entity described in ~~section 1~~ **section 1(1)** of this chapter; or
- (2) an event known as the Men's Final Four or the Women's Final Four, including the ancillary events associated with the Men's Final Four or the Women's Final Four, that is conducted after December 31, 2011, by an eligible entity described in **section 1(2)** of this chapter.

SECTION 17. IC 6-8.1-1-1, AS AMENDED BY P.L.233-2007,

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SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); the slot machine wagering tax (IC 4-35-8); the gross income tax (IC 6-2.1) (repealed); the utility receipts and utility services use taxes (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); **the excise tax imposed on recreational vehicles and truck campers (IC 6-6-5.1)**; the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer.

SECTION 18. IC 6-8.1-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) Except as otherwise provided in this section, the department may not issue a proposed assessment under section 1 of this chapter more than three (3) years after the latest of the date the return is filed, or any of the following:

- (1) the due date of the return; or
- (2) in the case of a return filed for the state gross retail or use tax, the gasoline tax, the special fuel tax, the motor carrier fuel tax, the oil inspection fee, or the petroleum severance tax, the end of the calendar year which contains the taxable period for which the

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1 return is filed.

2 (b) If a person files an adjusted gross income tax (IC 6-3),
3 supplemental net income tax (IC 6-3-8) (repealed), county adjusted
4 gross income tax (IC 6-3.5-1.1), county option income tax (IC 6-3.5-6),
5 or financial institutions tax (IC 6-5.5) return that understates the
6 person's income, as that term is defined in the particular income tax
7 law, by at least twenty-five percent (25%), the proposed assessment
8 limitation is six (6) years instead of the three (3) years provided in
9 subsection (a).

10 (c) In the case of the motor vehicle excise tax (IC 6-6-5), the tax
11 shall be assessed as provided in IC 6-6-5-5 and IC 6-6-5-6 and shall
12 include the penalties and interest due on all listed taxes not paid by the
13 due date. A person that fails to properly register a vehicle as required
14 by IC 9-18 and pay the tax due under IC 6-6-5 is considered to have
15 failed to file a return for purposes of this article.

16 (d) In the case of the commercial vehicle excise tax imposed under
17 IC 6-6-5.5, the tax shall be assessed as provided in IC 6-6-5.5 and shall
18 include the penalties and interest due on all listed taxes not paid by the
19 due date. A person that fails to properly register a commercial vehicle
20 as required by IC 9-18 and pay the tax due under IC 6-6-5.5 is
21 considered to have failed to file a return for purposes of this article.

22 **(e) In the case of the excise tax imposed on recreational vehicles**
23 **and truck campers under IC 6-6-5.1, the tax shall be assessed as**
24 **provided in IC 6-6-5.1 and must include the penalties and interest**
25 **due on all listed taxes not paid by the due date. A person who fails**
26 **to properly register a recreational vehicle as required by IC 9-18**
27 **and pay the tax due under IC 6-6-5.1 is considered to have failed to**
28 **file a return for purposes of this article. A person who fails to pay**
29 **the tax due under IC 6-6-5.1 on a truck camper is considered to**
30 **have failed to file a return for purposes of this article.**

31 ~~(e)~~ (f) If a person files a fraudulent, unsigned, or substantially blank
32 return, or if a person does not file a return, there is no time limit within
33 which the department must issue its proposed assessment.

34 ~~(f)~~ (g) If, before the end of the time within which the department
35 may make an assessment, the department and the person agree to
36 extend that assessment time period, the period may be extended
37 according to the terms of a written agreement signed by both the
38 department and the person. The agreement must contain:

- 39 (1) the date to which the extension is made; and
40 (2) a statement that the person agrees to preserve the person's
41 records until the extension terminates.

42 The department and a person may agree to more than one (1) extension

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1 under this subsection.

2 ~~(g)~~ **(h)** If a taxpayer's federal income tax liability for a taxable year
3 is modified due to the assessment of a federal deficiency or the filing
4 of an amended federal income tax return, then the date by which the
5 department must issue a proposed assessment under section 1 of this
6 chapter for tax imposed under IC 6-3 is extended to six (6) months after
7 the date on which the notice of modification is filed with the
8 department by the taxpayer.

9 SECTION 19. IC 6-8.1-7-1, AS AMENDED BY P.L.219-2007,
10 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JANUARY 1, 2009]: Sec. 1. (a) This subsection does not apply to the
12 disclosure of information concerning a conviction on a tax evasion
13 charge. Unless in accordance with a judicial order or as otherwise
14 provided in this chapter, the department, its employees, former
15 employees, counsel, agents, or any other person may not divulge the
16 amount of tax paid by any taxpayer, terms of a settlement agreement
17 executed between a taxpayer and the department, investigation records,
18 investigation reports, or any other information disclosed by the reports
19 filed under the provisions of the law relating to any of the listed taxes,
20 including required information derived from a federal return, except to:

- 21 (1) members and employees of the department;
- 22 (2) the governor;
- 23 (3) the attorney general or any other legal representative of the
24 state in any action in respect to the amount of tax due under the
25 provisions of the law relating to any of the listed taxes; or
- 26 (4) any authorized officers of the United States;

27 when it is agreed that the information is to be confidential and to be
28 used solely for official purposes.

29 (b) The information described in subsection (a) may be revealed
30 upon the receipt of a certified request of any designated officer of the
31 state tax department of any other state, district, territory, or possession
32 of the United States when:

- 33 (1) the state, district, territory, or possession permits the exchange
34 of like information with the taxing officials of the state; and
- 35 (2) it is agreed that the information is to be confidential and to be
36 used solely for tax collection purposes.

37 (c) The information described in subsection (a) relating to a person
38 on public welfare or a person who has made application for public
39 welfare may be revealed to the director of the division of family
40 resources, and to any director of a county office of family and children
41 located in Indiana, upon receipt of a written request from either director
42 for the information. The information shall be treated as confidential by

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the directors. In addition, the information described in subsection (a) relating to a person who has been designated as an absent parent by the state Title IV-D agency shall be made available to the state Title IV-D agency upon request. The information shall be subject to the information safeguarding provisions of the state and federal Title IV-D programs.

(d) The name, address, Social Security number, and place of employment relating to any individual who is delinquent in paying educational loans owed to a postsecondary educational institution may be revealed to that institution if it provides proof to the department that the individual is delinquent in paying for educational loans. This information shall be provided free of charge to approved postsecondary educational institutions (as defined by IC 21-7-13-6(a)). The department shall establish fees that all other institutions must pay to the department to obtain information under this subsection. However, these fees may not exceed the department's administrative costs in providing the information to the institution.

(e) The information described in subsection (a) relating to reports submitted under IC 6-6-1.1-502 concerning the number of gallons of gasoline sold by a distributor and IC 6-6-2.5 concerning the number of gallons of special fuel sold by a supplier and the number of gallons of special fuel exported by a licensed exporter or imported by a licensed transporter may be released by the commissioner upon receipt of a written request for the information.

(f) The information described in subsection (a) may be revealed upon the receipt of a written request from the administrative head of a state agency of Indiana when:

- (1) the state agency shows an official need for the information; and
- (2) the administrative head of the state agency agrees that any information released will be kept confidential and will be used solely for official purposes.

(g) The name and address of retail merchants, including township, as specified in IC 6-2.5-8-1(j) may be released solely for tax collection purposes to township assessors and county assessors.

(h) The department shall notify the appropriate innkeepers' tax board, bureau, or commission that a taxpayer is delinquent in remitting innkeepers' taxes under IC 6-9.

(i) All information relating to the delinquency or evasion of the motor vehicle excise tax may be disclosed to the bureau of motor vehicles in Indiana and may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and

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1 collection of the taxes imposed by IC 6-6-5.

2 (j) All information relating to the delinquency or evasion of
3 commercial vehicle excise taxes payable to the bureau of motor
4 vehicles in Indiana may be disclosed to the bureau and may be
5 disclosed to another state, if the information is disclosed for the
6 purpose of the enforcement and collection of the taxes imposed by
7 IC 6-6-5.5.

8 (k) All information relating to the delinquency or evasion of
9 commercial vehicle excise taxes payable under the International
10 Registration Plan may be disclosed to another state, if the information
11 is disclosed for the purpose of the enforcement and collection of the
12 taxes imposed by IC 6-6-5.5.

13 **(l) All information relating to the delinquency or evasion of the**
14 **excise taxes imposed on recreational vehicles and truck campers**
15 **that are payable to the bureau of motor vehicles in Indiana may be**
16 **disclosed to the bureau and may be disclosed to another state if the**
17 **information is disclosed for the purpose of the enforcement and**
18 **collection of the taxes imposed by IC 6-6-5.1.**

19 ~~(m)~~ (m) This section does not apply to:

- 20 (1) the beer excise tax (IC 7.1-4-2);
- 21 (2) the liquor excise tax (IC 7.1-4-3);
- 22 (3) the wine excise tax (IC 7.1-4-4);
- 23 (4) the hard cider excise tax (IC 7.1-4-4.5);
- 24 (5) the malt excise tax (IC 7.1-4-5);
- 25 (6) the motor vehicle excise tax (IC 6-6-5);
- 26 (7) the commercial vehicle excise tax (IC 6-6-5.5); and
- 27 (8) the fees under IC 13-23.

28 ~~(m)~~ (n) The name and business address of retail merchants within
29 each county that sell tobacco products may be released to the division
30 of mental health and addiction and the alcohol and tobacco commission
31 solely for the purpose of the list prepared under IC 6-2.5-6-14.2.

32 SECTION 20. IC 6-8.1-9-1, AS AMENDED BY P.L.211-2007,
33 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JANUARY 1, 2009]: Sec. 1. (a) If a person has paid more tax than the
35 person determines is legally due for a particular taxable period, the
36 person may file a claim for a refund with the department. Except as
37 provided in subsections (f) and (g), in order to obtain the refund, the
38 person must file the claim with the department within three (3) years
39 after the latter of the following:

- 40 (1) The due date of the return.
- 41 (2) The date of payment.

42 For purposes of this section, the due date for a return filed for the state

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gross retail or use tax, the gasoline tax, the special fuel tax, the motor carrier fuel tax, the oil inspection fee, or the petroleum severance tax is the end of the calendar year which contains the taxable period for which the return is filed. The claim must set forth the amount of the refund to which the person is entitled and the reasons that the person is entitled to the refund.

(b) When the department receives a claim for refund, the department shall consider the claim for refund and shall, if the taxpayer requests, hold a hearing on the claim for refund to obtain and consider additional evidence. After considering the claim and all evidence relevant to the claim, the department shall issue a decision on the claim, stating the part, if any, of the refund allowed and containing a statement of the reasons for any part of the refund that is denied. The department shall mail a copy of the decision to the person who filed the claim. If the department allows the full amount of the refund claim, a warrant for the payment of the claim is sufficient notice of the decision.

(c) If the person disagrees with any part of the department's decision, the person may appeal the decision, regardless of whether or not the person protested the tax payment or whether or not the person has accepted a refund. The person must file the appeal with the tax court. The tax court does not have jurisdiction to hear a refund appeal suit, if:

- (1) the appeal is filed more than three (3) years after the date the claim for refund was filed with the department;
- (2) the appeal is filed more than ninety (90) days after the date the department mails the decision of denial to the person; or
- (3) the appeal is filed both before the decision is issued and before the one hundred eighty-first day after the date the person files the claim for refund with the department.

(d) The tax court shall hear the appeal de novo and without a jury, and after the hearing may order or deny any part of the appealed refund. The court may assess the court costs in any manner that it feels is equitable. The court may enjoin the collection of any of the listed taxes under IC 33-26-6-2. The court may also allow a refund of taxes, interest, and penalties that have been paid to and collected by the department.

(e) With respect to the motor vehicle excise tax, this section applies only to penalties and interest paid on assessments of the motor vehicle excise tax. Any other overpayment of the motor vehicle excise tax is subject to IC 6-6-5.

(f) If a taxpayer's federal income tax liability for a taxable year is modified by the Internal Revenue Service, and the modification would

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result in a reduction of the tax legally due, the due date by which the taxpayer must file a claim for refund with the department is the later of:

- (1) the date determined under subsection (a); or
- (2) the date that is six (6) months after the date on which the taxpayer is notified of the modification by the Internal Revenue Service.

(g) If an agreement to extend the assessment time period is entered into under ~~IC 6-8.1-5-2(f)~~, **IC 6-8.1-5-2(g)**, the period during which a person may file a claim for a refund under subsection (a) is extended to the same date to which the assessment time period is extended.

SECTION 21. IC 6-8.1-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) If a person fails to file a return or to make a full tax payment with that return with the fraudulent intent of evading the tax, the person is subject to a penalty.

(b) The amount of the penalty imposed for a fraudulent failure described in subsection (a) is one hundred percent (100%) multiplied by:

- (1) the full amount of the tax, if the person failed to file a return; or
- (2) the amount of the tax that is not paid, if the person failed to pay the full amount of the tax.

(c) In addition to the civil penalty imposed under this section, a person who knowingly fails to file a return with the department or fails to pay the tax due under IC 6-6-5, **IC 6-6-5.1**, or IC 6-6-5.5 commits a Class A misdemeanor.

(d) The penalty imposed under this section is imposed in place of and not in addition to the penalty imposed under section 2.1 of this chapter.

SECTION 22. IC 9-14-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. The commissioner shall appoint and fix, subject to the approval of the governor, the salaries of the deputies, subordinate officers, clerks, and other employees necessary to carry out this title, IC 6-6-5, **IC 6-6-5.1**, IC 6-6-5.5, and IC 6-6-11.

SECTION 23. IC 9-17-2-1, AS AMENDED BY P.L.219-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) This section does not apply to an off-road vehicle that is at least five (5) model years old.

(b) Within sixty (60) days ~~of~~ **after** becoming an Indiana resident, a person must obtain a certificate of title for all vehicles owned by the person that:

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(1) are subject to the motor vehicle excise tax under IC 6-6-5; or
 (2) are off-road vehicles;
 and that will be operated in Indiana.

(c) Within sixty (60) days after becoming an Indiana resident, a person shall obtain a certificate of title for all commercial vehicles owned by the person that:

- (1) are subject to the commercial vehicle excise tax under IC 6-6-5.5;
- (2) are not subject to proportional registration under the International Registration Plan; and
- (3) will be operated in Indiana.

(d) Within sixty (60) days after becoming an Indiana resident, a person must obtain a certificate of title for all recreational vehicles owned by the person that:

- (1) are subject to the excise tax imposed under IC 6-6-5.1; and**
- (2) will be operated in Indiana.**

~~(d)~~ (e) A person must produce evidence concerning the date on which the person became an Indiana resident.

SECTION 24. IC 9-18-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Within sixty (60) days ~~of~~ **after** becoming an Indiana resident, a person must register all motor vehicles owned by the person that:

- (1) are subject to the motor vehicle excise tax under IC 6-6-5; and
- (2) will be operated in Indiana.

(b) Within sixty (60) days after becoming an Indiana resident, a person must register all commercial vehicles owned by the person that:

- (1) are subject to the commercial vehicle excise tax under IC 6-6-5.5;
- (2) are not subject to proportional registration under the International Registration Plan; and
- (3) will be operated in Indiana.

(c) Within sixty (60) days after becoming an Indiana resident, a person must register all recreational vehicles owned by the person that:

- (1) are subject to the excise tax imposed under IC 6-6-5.1; and**
- (2) will be operated in Indiana.**

~~(e)~~ (d) A person must produce evidence concerning the date on which the person became an Indiana resident.

~~(d)~~ (e) Except as provided in subsection ~~(e)~~; (f), an Indiana resident must register all motor vehicles operated in Indiana.

~~(e)~~ (f) An Indiana resident who has a legal residence in a state that is not contiguous to Indiana may operate a motor vehicle in Indiana for

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not more than sixty (60) days without registering the motor vehicle in Indiana.

~~(f)~~ (g) An Indiana resident who has registered a motor vehicle in Indiana in any previous registration year is not required to register the motor vehicle, is not required to pay motor vehicle excise tax under IC 6-6-5 or the commercial vehicle excise tax under IC 6-6-5.5 on the motor vehicle, and is exempt from property tax on the motor vehicle for any registration year in which:

(1) the Indiana resident is:

(A) an active member of the armed forces of the United States;

and

(B) assigned to a duty station outside Indiana; and

(2) the motor vehicle is not operated inside or outside Indiana.

This subsection may not be construed as granting the bureau authority to require the registration of any vehicle that is not operated in Indiana.

~~(g)~~ (h) When an Indiana resident registers a motor vehicle in Indiana after the period of exemption described in subsection ~~(f)~~, (g), the Indiana resident may submit an affidavit that:

(1) states facts demonstrating that the motor vehicle is a motor vehicle described in subsection ~~(e)~~, (g); and

(2) is signed by the owner of the motor vehicle under penalties of perjury;

as sufficient proof that the owner of the motor vehicle is not required to register the motor vehicle during a registration year described in subsection ~~(f)~~, (g). The commission or bureau may not require the Indiana resident to pay any civil penalty or any reinstatement or other fee that is not also charged to other motor vehicles being registered in the same registration year.

SECTION 25. IC 9-29-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. The service charge for each excise tax collection made under IC 6-6-5, **IC 6-6-5.1**, or IC 6-6-5.5 is eighty-five cents (\$0.85).

SECTION 26. IC 6-3.1-32-10 IS REPEALED [EFFECTIVE JULY 1, 2008].

SECTION 27. [EFFECTIVE JANUARY 1, 2009] (a) **The definitions in IC 6-6-5.1, as added by this act, apply throughout this SECTION.**

(b) **IC 6-6-5.1, as added by this act, applies to recreational vehicles registered and truck campers located in Indiana after December 31, 2009.**

(c) **After December 31, 2008, a recreational vehicle or truck camper, except for a recreational vehicle or truck camper held in**

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the inventory of recreational vehicles and truck campers held for sale by a manufacturer, distributor, or dealer in the course of business, may not be assessed as personal property for the purpose of the assessment and levy of personal property taxes.

(d) This SECTION expires January 1, 2011.

SECTION 28. [EFFECTIVE JANUARY 1, 2009] (a) The definitions in IC 6-6-5.1, as added by this act, apply throughout this SECTION.

(b) The bureau shall certify to the department of local government finance the amount of excise tax collected under IC 6-6-5.1, as added by this act, and distributed to each county auditor in calendar year 2010.

(c) Each county auditor shall certify to the department of local government finance the amount of excise tax collected under IC 6-6-5.1, as added by this act, and distributed to each taxing unit in the county in calendar year 2010.

(d) This SECTION expires January 1, 2012.

SECTION 29. [EFFECTIVE JANUARY 1, 2009] (a) For property taxes due and payable in calendar year 2010, the department of local government finance shall make a reduction in the maximum permissible ad valorem property tax levy for each taxing unit to account for the removal of assessed value under IC 6-6-5.1, as added by this act.

(b) This SECTION expires January 1, 2012.

SECTION 30. [EFFECTIVE JANUARY 1, 2009] (a) The definitions in IC 6-1.1-1 and IC 6-6-5.1, as added by this act, apply throughout this SECTION. As used in this SECTION, "nonbusiness personal property" means personal property that is not:

- (1) held for sale in the ordinary course of a trade or business;
- (2) held, used, or consumed in connection with the production of income; or
- (3) held as an investment.

(b) The purpose of the amendment of IC 6-1.1-1-11 and the addition of IC 6-6-5.1 by this act is to exempt nonbusiness personal property (other than mobile homes) from property taxation to the fullest extent allowed under Article 10, Section 1 of the Constitution of the State of Indiana. The general assembly finds that nonbusiness personal property consisting of:

- (1) self-propelled vehicles that are not designed or regularly used for transporting property or persons on a public highway, such as invalid chairs, snowmobiles, yard and

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1 garden tractors, and all terrain vehicles;

2 (2) trailers not subject to an excise tax under IC 6-6-5,
3 IC 6-6-5.1, as added by this act, or IC 6-6-5.5;

4 (3) human powered boats not subject to an excise tax under
5 IC 6-6-11; or

6 (4) similar property;

7 is not the type of property that must be subject to an excise tax in
8 order to be exempted from property taxation. However, if a
9 property tax exemption granted by this act is determined to be
10 invalid, all remaining exemptions granted by this act that are not
11 determined to be invalid shall be treated as severable under
12 IC 1-1-1-8.

13 (c) After February 28, 2009:

14 (1) nonbusiness personal property may not be assessed as
15 personal property under IC 6-1.1 for property tax purposes;

16 (2) a lien for property taxes first due and payable after
17 December 31, 2009, does not attach to nonbusiness personal
18 property; and

19 (3) the department of local government finance, a county
20 auditor, or an assessing official may not require an individual
21 or entity to file a personal property tax return for nonbusiness
22 personal property.

23 (d) The department of local government finance may modify
24 property tax levies and property tax rates of a taxing unit to
25 eliminate the effects of the elimination of property taxation of
26 nonbusiness personal property and the implementation of an excise
27 tax on recreational vehicles and truck campers by this act,
28 including an action to increase or impose a property tax:

29 (1) in the manner provided in IC 6-1.1-21.2 to replace revenue
30 lost in an allocation area and needed to pay leases or debt
31 service; or

32 (2) in a taxing unit to replace a reduction in distributions
33 under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 that were pledged
34 to pay leases or debt service.

35 Instead of imposing an additional property tax rate under this
36 SECTION to replace revenue lost as the result of an exemption
37 granted under this act, the department of local government finance
38 may order that excise tax revenues received in a county under
39 IC 6-6-5.1, as added by this act, be first applied to replace the lost
40 revenues. The allocated excise tax revenues shall be deducted
41 before making other distributions under IC 6-6-5.1, as added by
42 this act. The department of local government finance may require

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1 a taxing unit or other affected party to petition the department of
 2 local government finance, under the terms, on the forms, and on
 3 the schedule determined by the department of local government
 4 finance, as a precondition to modifying a tax levy or tax rate or
 5 allocating excise tax revenues under this SECTION.

6 (e) County auditors and assessing officials shall provide the
 7 bureau of motor vehicles and the department of state revenue with
 8 the information from personal property tax returns and related
 9 records needed by the bureau of motor vehicles and the
 10 department of state revenue to implement IC 6-6-5.1, as added by
 11 this act, in 2009 on the schedule, in the manner and in the form
 12 required by the department of local government finance.

13 (f) Notwithstanding this act, the definition of personal property
 14 in IC 6-1.1-1-11, as effective before January 1, 2009, applies for
 15 purposes of applying IC 6-1.1-23-2 and other provisions related to
 16 the collection of delinquent property taxes for levies that became
 17 a lien on property before January 1, 2009.

18 SECTION 31. [EFFECTIVE JANUARY 1, 2008
 19 (RETROACTIVE)] IC 6-3-1-11, as amended by this act, applies only
 20 to taxable years beginning after December 31, 2007.

21 SECTION 32. [EFFECTIVE JANUARY 1, 2008
 22 (RETROACTIVE)] IC 6-3-1-3.5, as amended by this act, applies to
 23 taxable years beginning after December 31, 2007.

24 SECTION 33. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1125, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CRAWFORD, Chair

Committee Vote: yeas 20, nays 0.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1125 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. The following property is not subject to assessment and taxation under this article:

(1) A commercial vessel that is subject to the net tonnage tax imposed under IC 6-6-6.

(2) A motor vehicle or trailer that is subject to the annual license excise tax imposed under IC 6-6-5.

(3) A boat that is subject to the boat excise tax imposed under IC 6-6-11.

(4) Property used by a cemetery (as defined in IC 23-14-33-7) if the cemetery:

(A) does not have a board of directors, board of trustees, or other governing authority other than the state or a political subdivision; and

(B) has had no business transaction during the preceding calendar year.

(5) A commercial vehicle that is subject to the annual excise tax imposed under IC 6-6-5.5.

(6) A recreational vehicle or truck camper that is subject to the annual excise tax imposed under IC 6-6-5.1."

Page 2, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 3. IC 6-6-5.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]:

Chapter 5.1. Excise Tax on Recreational Vehicles and Truck

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Campers

Sec. 1. This chapter does not apply to the following:

- (1) A vehicle subject to the motor vehicle excise tax under IC 6-6-5.**
- (2) A vehicle owned or leased and operated by the United States, the state, or a political subdivision of the state.**
- (3) A mobile home.**
- (4) A vehicle assessed under IC 6-1.1-8.**
- (5) A vehicle subject to the commercial vehicle excise tax under IC 6-6-5.5.**
- (6) A trailer subject to the annual excise tax imposed under IC 6-6-5-5.5.**
- (7) A bus (as defined in IC 9-13-2-17(a)).**
- (8) A vehicle owned or leased and operated by a postsecondary educational institution (as described in IC 6-3-3-5(d)).**
- (9) A vehicle owned or leased and operated by a volunteer fire department (as defined in IC 36-8-12-2).**
- (10) A vehicle owned or leased and operated by a volunteer emergency ambulance service that:**
 - (A) meets the requirements of IC 16-31; and**
 - (B) has only members who serve for no compensation or a nominal annual compensation of not more than three thousand five hundred dollars (\$3,500).**
- (11) A vehicle that is exempt from the payment of registration fees under IC 9-18-3-1.**
- (12) A farm wagon.**
- (13) A recreational vehicle or truck camper in the inventory of recreational vehicles and truck campers held for sale by a manufacturer, distributor, or dealer in the course of business.**

Sec. 2. As used in this chapter, "bureau" refers to the bureau of motor vehicles.

Sec. 3. As used in this chapter, "last preceding annual excise tax liability" means the amount of excise tax liability to which a recreational vehicle or truck camper was subject on the owner's last preceding regular annual registration date or to which:

- (1) the recreational vehicle would have been subject if the recreational vehicle had been registered; or**
- (2) the truck camper would have been subject if the truck camper had been owned by the owner and located in Indiana; on the owner's last preceding regular annual registration date.**

Sec. 4. As used in this chapter, "mobile home" has the meaning

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set forth in IC 6-1.1-7-1.

Sec. 5. As used in this chapter, "owner" means:

- (1) in the case of a recreational vehicle, the person in whose name the recreational vehicle is registered under IC 9-18; or
- (2) in the case of a truck camper, the person holding title to the truck camper.

Sec. 6. As used in this chapter, "recreational vehicle" has the meaning set forth in IC 9-13-2-150(a).

Sec. 7. As used in this chapter, "trailer" has the meaning set forth in IC 6-6-5-1(h).

Sec. 8. As used in this chapter, "truck camper" means a device without motive power that is installed in the bed of a truck to provide living quarters for persons traveling on public highways.

Sec. 9. As used in this chapter, "vehicle" has the meaning set forth in IC 9-13-2-196(a).

Sec. 10. (a) Beginning January 1, 2010, there is imposed an annual license excise tax on recreational vehicles and truck campers. The excise tax is imposed instead of the ad valorem property tax levied for state or local purposes but in addition to any registration fees imposed on recreational vehicles.

(b) The tax imposed by this chapter is a listed tax and subject to IC 6-8.1.

(c) A recreational vehicle subject to this chapter may not be assessed as personal property for the purpose of the assessment and levy of personal property taxes after December 31, 2008, and is not subject to ad valorem taxes first due and payable after December 31, 2009, regardless of whether the recreational vehicle is registered under the state motor vehicle registration laws. A person may not be required to give proof of the payment of ad valorem taxes as a condition to the registration of a recreational vehicle subject to the tax imposed by this chapter.

(d) A truck camper subject to this chapter may not be assessed as personal property for the purpose of the assessment and levy of personal property taxes after December 31, 2008, and is not subject to ad valorem taxes first due and payable after December 31, 2009.

Sec. 11. As the basis for measuring the tax imposed by this chapter, the bureau shall determine the value of each recreational vehicle and truck camper as of the time it is first offered for sale in Indiana as a new recreational vehicle or truck camper. The bureau shall adopt rules under IC 4-22-2 for determining the value of recreational vehicles and truck campers by using:

- (1) the factory advertised delivered price or the port of entry

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price; or

(2) any other information available.

Sec. 12. After determining the value of a recreational vehicle or truck camper under section 11 of this chapter, the bureau shall classify every recreational vehicle and truck camper in its proper class by value according to the following classification plan:

Class	I	less than \$2,250	
Class	II	at least \$ 2,250	but less than \$ 4,000
Class	III	at least \$ 4,000	but less than \$ 7,000
Class	IV	at least \$ 7,000	but less than \$ 10,000
Class	V	at least \$10,000	but less than \$ 15,000
Class	VI	at least \$15,000	but less than \$ 22,000
Class	VII	at least \$22,000	but less than \$ 30,000
Class	VIII	at least \$30,000	but less than \$ 42,500
Class	IX	at least \$42,500	but less than \$ 50,000
Class	X	at least \$50,000	but less than \$ 60,000
Class	XI	at least \$60,000	but less than \$ 70,000
Class	XII	at least \$70,000	but less than \$ 80,000
Class	XIII	at least \$80,000	but less than \$ 90,000
Class	XIV	at least \$90,000	but less than \$100,000
Class	XV	at least \$100,000	but less than \$150,000
Class	XVI	at least \$150,000	but less than \$200,000
Class	XVII	at least \$200,000	

Sec. 13. (a) Subject to any reductions permitted under this chapter, the amount of tax imposed under this chapter on a recreational vehicle or truck camper is prescribed by the schedule set out in subsection (c). The amount of tax imposed by this chapter is determined using:

(1) the classification of the recreational vehicle or truck camper under section 12 of this chapter; and

(2) the age of the recreational vehicle or truck camper.

(b) If a person who owns a recreational vehicle or truck camper is entitled to an ad valorem property tax assessed valuation deduction under IC 6-1.1-12-13, IC 6-1.1-12-14, IC 6-1.1-12-16, or IC 6-1.1-12-17.4 in a year in which a tax is imposed by this chapter and any part of the deduction is unused after allowance of the deduction on real property and personal property owned by the person, the person is entitled to a credit that reduces the annual tax imposed by this chapter. The amount of the credit is determined by multiplying the amount of the unused deduction by two (2) and dividing the result by one hundred (100). The county auditor shall, upon request, furnish a certified statement to the person verifying

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the credit allowable under this subsection. The statement shall be presented to and retained by the bureau to support the credit.

(c) The tax schedule for each class of recreational vehicles and truck campers is as follows:

Year of Manufacture	I	II	III	IV	V
1st	\$15	\$36	\$50	\$59	\$103
2nd	12	31	43	51	91
3rd	12	26	35	41	75
4th	12	20	28	38	62
5th	12	15	20	34	53
6th	12	12	15	26	41
7th	12	12	12	16	32
8th	12	12	12	13	21
9th	12	12	12	12	13
10th	12	12	12	12	12

and thereafter

Year of Manufacture	VI	VII	VIII
1st	\$164	\$241	\$346
2nd	148	212	302
3rd	131	185	261
4th	110	161	223
5th	89	131	191
6th	68	108	155
7th	53	86	126
8th	36	71	97
9th	23	35	48
10th	12	12	17

and thereafter

Year of Manufacture	IX	X	XI	XII
1st	\$470	\$667	\$879	\$1,045
2nd	412	572	763	907
3rd	360	507	658	782
4th	307	407	574	682
5th	253	341	489	581
6th	204	279	400	475
7th	163	224	317	377
8th	116	154	214	254
9th	55	70	104	123
10th	25	33	46	55

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and thereafter

Year of Manufacture	XIII	XIV	XV	XVI	XVII
1st	\$1,235	\$1,425	\$1,615	\$1,805	\$2,375
2nd	1,072	1,236	1,401	1,566	2,060
3rd	924	1,066	1,208	1,350	1,777
4th	806	929	1,053	1,177	1,549
5th	687	793	898	1,004	1,321
6th	562	648	734	821	1,080
7th	445	514	582	651	856
8th	300	346	392	439	577
9th	146	168	190	213	280
10th	64	74	84	94	123

and thereafter.

(d) Each recreational vehicle or truck camper shall be taxed as a recreational vehicle or truck camper in its first year of manufacture throughout the calendar year in which a recreational vehicle or truck camper of that make and model is first offered for sale in Indiana. However, a recreational vehicle or truck camper of a make and model first offered for sale in Indiana after August 1 of any year continues to be taxed as a recreational vehicle or truck camper in its first year of manufacture until the end of the calendar year following the year in which it is first offered for sale. Thereafter, the recreational vehicle or truck camper shall be considered to have aged one (1) year as of January 1 of each year.

Sec. 14. (a) Except as otherwise provided in this chapter, the tax imposed on a recreational vehicle by this chapter is payable for each registration year by the owner with respect to a recreational vehicle required to be registered for the registration year as provided in the state motor vehicle laws. Except as provided in section 15 of this chapter, the tax is due on or before the regular annual registration date in each year on or before which the owner is required under the state motor vehicle registration laws to register vehicles. The tax shall be paid to the bureau at the time the recreational vehicle is registered by the owner as provided in the state motor vehicle registration laws. A recreational vehicle subject to taxation under this chapter shall be registered by the owner as being taxable in the county of the owner's residence. The payment of the tax imposed by this chapter is a condition to the right to register or reregister the recreational vehicle and is in addition to all other conditions prescribed by law.

(b) The tax imposed on a truck camper by this chapter is due on

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or before the annual registration date in each year on or before which the owner is required under the state motor vehicle registration laws to register vehicles. The tax on the truck camper must be paid to the bureau. A truck camper subject to taxation under this chapter is taxable in the county of the owner's residence.

(c) A voucher from the department of state revenue showing payment of the tax imposed by this chapter may be accepted by the bureau instead of a payment under subsection (a).

Sec. 15. (a) This section applies only to recreational vehicles.

(b) With respect to a recreational vehicle that has been acquired, has been brought into Indiana, or for any other reason becomes subject to registration after the regular annual registration date in the year on or before which the owner of the recreational vehicle is required under the state motor vehicle registration laws to register vehicles, the tax imposed by this chapter is due and payable at the time the recreational vehicle is acquired, is brought into Indiana, or otherwise becomes subject to registration. The amount of tax to be paid by the owner for the remainder of the year shall be reduced by ten percent (10%) for each full calendar month that has elapsed since the regular annual registration date in the year fixed by the state motor vehicle registration laws for annual registration by the owner. The tax shall be paid at the time of the registration of the recreational vehicle.

(c) If a recreational vehicle is acquired, is brought into Indiana, or for any other reason becomes subject to registration after January 1 of any year, the owner may pay the applicable registration fee on the recreational vehicle as provided in the state motor vehicle registration laws and may pay any excise tax due on the recreational vehicle for the remainder of the annual registration year and simultaneously register the recreational vehicle and pay the applicable registration fee and the excise tax due for the next succeeding annual registration year.

(d) Except as provided in subsection (h), a reduction in the applicable annual excise tax may not be allowed to an Indiana resident applicant upon registration of a recreational vehicle that was owned by the applicant on or before the first day of the applicant's annual registration period. A recreational vehicle that is owned by an Indiana resident applicant and that was located in and registered for use in another state during the same calendar year is entitled to the same reduction when registered in Indiana.

(e) The owner of a recreational vehicle who sells the recreational

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vehicle in a year in which the owner has paid the tax imposed by this chapter shall receive a credit equal to the remainder of:

- (1) the tax paid for the recreational vehicle; minus
- (2) ten percent (10%) for each full or partial calendar month that has elapsed in the owner's annual registration year before the date of the sale.

The credit shall be applied to the tax due on any other recreational vehicle purchased or subsequently registered by the owner in the owner's annual registration year. If the credit is not fully used and the amount of the credit remaining is at least four dollars (\$4), the owner is entitled to a refund in the amount of the unused credit. The owner must pay a fee of three dollars (\$3) to the bureau to cover costs of providing the refund, which may be deducted from the refund. The bureau shall issue the refund. The bureau shall transfer three dollars (\$3) of the fee to the bureau of motor vehicles commission to cover the commission's costs in processing the refund. To claim the credit and refund provided by this subsection, the owner of the recreational vehicle must present to the bureau proof of sale of the recreational vehicle.

(f) Subject to the requirements of subsection (g), if a recreational vehicle is destroyed in a year in which the owner has paid the tax imposed by this chapter and the recreational vehicle is not replaced by a replacement vehicle for which a credit is issued under this section, the owner is entitled to a refund in an amount equal to ten percent (10%) of the tax paid for each full calendar month remaining in the owner's annual registration year after the date of destruction, but only upon presentation or return to the bureau of the following:

- (1) A request for refund on a form furnished by the bureau.
- (2) A statement of proof of destruction on an affidavit furnished by the bureau.
- (3) The license plate from the recreational vehicle.
- (4) The registration from the recreational vehicle.

However, the refund may not exceed ninety percent (90%) of the tax paid on the destroyed recreational vehicle. The amount shall be refunded by a warrant issued by the auditor of the county that received the excise tax revenue and shall be paid out of the special account created under section 21 of this chapter for settlement of the excise tax collections. For purposes of this subsection, a recreational vehicle is considered destroyed if the cost of repair of damages suffered by the recreational vehicle exceeds the recreational vehicle's fair market value.

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(g) To claim a refund under subsection (f) for a recreational vehicle that is destroyed, the owner of the recreational vehicle must present to the bureau a valid registration for the recreational vehicle within ninety (90) days after the date that the recreational vehicle is destroyed. The bureau shall then fix the amount of the refund that the owner is entitled to receive.

(h) If the name of the owner of a recreational vehicle is legally changed and the change has caused a change in the owner's annual registration date, the excise tax liability of the owner for the recreational vehicle shall be adjusted as follows:

(1) If the name change requires the owner to register sooner than the owner would have been required to register if there had been no name change, the owner is, at the time the name change is reported, entitled to a refund from the county treasurer in the amount of the product of:

(A) ten percent (10%) of the owner's last preceding annual excise tax liability; multiplied by

(B) the number of full calendar months beginning after the owner's new regular annual registration month and ending before the next succeeding regular annual registration month that is based on the owner's former name.

(2) If the name change requires the owner to register later than the owner would have been required to register if there had been no name change, the recreational vehicle is subject to excise tax for the period beginning after the month in which the owner would have been required to register if there had been no name change and ending before the owner's new regular annual registration month in the amount of the product of:

(A) ten percent (10%) of the owner's excise tax liability computed as of the time the owner would have been required to register if there had been no name change; multiplied by

(B) the number of full calendar months beginning after the month in which the owner would have been required to register if there had been no name change and ending before the owner's new regular annual registration month.

Sec. 16. (a) This section applies only to truck campers.

(b) With respect to a truck camper that has been acquired, has been brought into Indiana, or for any other reason becomes subject to taxation after the regular annual registration date in the year on or before which the owner of the truck camper is required under

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the state motor vehicle registration laws to register vehicles, the tax imposed by this chapter is due and payable at the time the truck camper is acquired, is brought into Indiana, or otherwise becomes subject to taxation under this chapter. The amount of tax to be paid by the owner for the remainder of the year shall be reduced by ten percent (10%) for each full calendar month that has elapsed since the regular annual registration date in the year fixed by the state motor vehicle registration laws for annual registration by the owner. The tax shall be paid within thirty (30) days after the date on which the truck camper is acquired, is brought into Indiana, or otherwise becomes subject to taxation under this chapter.

(c) If a truck camper is acquired, is brought into Indiana, or for any other reason becomes subject to taxation under this chapter after January 1 of any year, the owner may pay any excise tax due on the truck camper for the remainder of the annual registration year and simultaneously pay the excise tax due for the next succeeding annual registration year.

(d) The owner of a truck camper who sells the truck camper in a year in which the owner has paid the tax imposed by this chapter shall receive a credit equal to the remainder of:

- (1) the tax paid for the truck camper; reduced by
- (2) ten percent (10%) for each full or partial calendar month that has elapsed in the owner's annual registration year before the date of the sale.

The credit shall be applied to the tax due on any other truck camper acquired by the owner in the owner's annual registration year. If the credit is not fully used and the amount of the credit remaining is at least four dollars (\$4), the owner is entitled to a refund in the amount of the unused credit. The owner must pay a fee of three dollars (\$3) to the bureau to cover the costs of providing the refund, which may be deducted from the refund. The bureau shall issue the refund. The bureau shall transfer three dollars (\$3) of the fee to the bureau of motor vehicles commission to cover the commission's costs in processing the refund. To claim the credit and refund provided by this subsection, the owner of the truck camper must present to the bureau proof of sale of the truck camper.

(e) Subject to the requirements of subsection (f), if a truck camper is destroyed in a year in which the owner has paid the tax imposed by this chapter and the truck camper is not replaced by a replacement truck camper for which a credit is issued under this section, the owner is entitled to a refund in an amount equal to ten

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percent (10%) of the tax paid for each full calendar month remaining in the owner's annual registration year after the date of destruction, but only upon presentation or return to the bureau of the following:

- (1) A request for refund on a form furnished by the bureau.
- (2) A statement of proof of destruction on an affidavit furnished by the bureau.

However, the refund may not exceed ninety percent (90%) of the tax paid on the destroyed truck camper. The amount shall be refunded by a warrant issued by the auditor of the county that received the excise tax revenue and shall be paid out of the special account created under section 21 of this chapter for settlement of the excise tax collections. For purposes of this subsection, a truck camper is considered destroyed if the cost of repair of damages suffered by the truck camper exceeds the truck camper's fair market value.

(f) To claim a refund under subsection (e) for a truck camper that is destroyed, the owner of the truck camper must present to the bureau a valid receipt for the excise tax paid under this chapter on the truck camper within ninety (90) days after the date that the truck camper is destroyed. The bureau shall then fix the amount of the refund that the owner is entitled to receive.

(g) If the name of the owner of a truck camper is legally changed and the change has caused a change in the owner's annual registration date, the excise tax liability of the owner for the truck camper shall be adjusted as follows:

- (1) If the name change requires the owner to register a motor vehicle sooner than the owner would have been required to register if there had been no name change, the owner is, at the time the name change is reported, entitled to a refund from the county treasurer in the amount of the product of:

- (A) ten percent (10%) of the owner's last preceding annual excise tax liability; multiplied by

- (B) the number of full calendar months beginning after the owner's new regular annual registration month and ending before the next succeeding regular annual registration month that is based on the owner's former name.

- (2) If the name change requires the owner to register a motor vehicle later than the owner would have been required to register if there had been no name change, the truck camper is subject to excise tax for the period beginning after the month in which the owner would have been required to

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register if there had been no name change and ending before the owner's new regular annual registration month in the amount of the product of:

(A) ten percent (10%) of the owner's excise tax liability computed as of the time the owner would have been required to register a motor vehicle if there had been no name change; multiplied by

(B) the number of full calendar months beginning after the month in which the owner would have been required to register a motor vehicle if there had been no name change and ending before the owner's new regular annual registration month.

Sec. 17. (a) This section applies only to recreational vehicles.

(b) The owner of a recreational vehicle registered with the bureau is entitled to a refund of taxes paid under this chapter if, after the owner's regular registration date, the owner:

(1) registers the recreational vehicle for use in another state; and

(2) pays tax for use of the recreational vehicle to another state for the same period for which the tax was paid under this chapter.

(c) The refund provided under subsection (b) is equal to:

(1) the annual license excise tax paid for use of the recreational vehicle by the owner of the vehicle for the year; minus

(2) ten percent (10%) of the annual license excise tax paid for use of the recreational vehicle for each full or partial calendar month beginning after the date the annual license excise tax was due and ending before the date the owner registered the recreational vehicle for use in another state.

(d) To claim the refund provided by this section, the owner of the recreational vehicle must provide the bureau with:

(1) a request for a refund on a form furnished by the bureau; and

(2) proof that a tax described in subsection (b)(2) was paid.

Sec. 18. (a) This section applies only to truck campers.

(b) The owner of a truck camper is entitled to a refund of taxes paid under this chapter if, after the owner's regular vehicle registration date:

(1) the owner moves and registers the truck on which the truck camper is installed for use in another state;

(2) the owner pays tax for use of the truck camper to another

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state for the same period for which the tax was paid under this chapter; and

(3) the truck camper is located and used in the other state for the same period for which the tax was paid under this chapter.

(c) The refund provided under subsection (b) is equal to:

(1) the annual excise tax paid for use of the truck camper by the owner of the truck camper for the year; minus

(2) ten percent (10%) of the annual excise tax paid for use of the truck camper for each full or partial calendar month beginning after the date the annual excise tax was due and ending before the date the owner registered the truck for use in another state.

Sec. 19. (a) To claim a credit or refund, or both, under this chapter, a person must provide a sworn statement to the bureau or to an agent branch of the bureau that the person is entitled to the credit or refund, or both, claimed by the person.

(b) The bureau may inspect records of a person claiming a credit or refund, or both, under this chapter to determine if a credit or refund, or both, were properly allowed against the excise tax imposed on a recreational vehicle or truck camper owned by the person.

(c) If the bureau determines that a credit or refund, or both, were improperly allowed for a recreational vehicle or truck camper, the person who claimed the credit or refund, or both, shall pay the bureau an amount equal to the credit or refund, or both, improperly allowed to the person plus a penalty of ten percent (10%) of the credit or refund, or both, improperly allowed. The tax collected under this subsection shall be paid to the county treasurer of the county in which the person resides. However, a penalty collected under this subsection shall be retained by the bureau.

Sec. 20. (a) The bureau shall include on all registration forms for recreational vehicles suitable spaces for the applicant's Social Security number or federal tax identification number, the amount of the registration fee, the amount of excise tax, the amount of a credit, if any, provided under section 13 of this chapter, and the total amount of payment due on account of the applicable registration fees and excise taxes upon the registration of the recreational vehicle. The forms must include spaces for showing the county, city or town, township, and address of the owner's residence.

(b) The bureau shall list on all registration forms for

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recreational vehicles the amount of registration fees and taxes due. In addition, the bureau shall prepare by December 1 of each year a schedule showing the excise tax payable on each make and model of recreational vehicle or truck camper.

Sec. 21. (a) The bureau, in the administration and collection of the tax imposed by this chapter, may use the services and facilities of license branches operated under IC 9-16 in the bureau's administration of the state motor vehicle registration laws. The license branches may be used in the manner and to the extent the bureau considers necessary and proper to implement and effectuate the administration and collection of the excise tax imposed by this chapter. However, if the bureau uses the license branches in the collection of excise taxes, the following apply:

(1) The excise taxes collected by each license branch, less any refunds made by the license branch, shall be deposited daily by the license branch in a separate account in a depository designated by the state board of finance. The county treasurer of the county for which the collections are due may withdraw funds from the account at least two (2) times each week. The county treasurer is responsible for the safekeeping and investment of money withdrawn by the county treasurer under this subdivision. Before the eleventh day of the month following the month in which the collections are made, the bureau shall report the excise taxes collected and refunds made outside the county to the county treasurer of the county to which the collections are due and the refunds apply. The bureau shall forward a copy of the excise tax report to the county auditor of the county.

(2) A license branch shall each week forward a report to the county auditor of the county to which the collections are due, showing the excise tax collected by the license branch on each recreational vehicle or truck camper, each refund made by the license branch on a recreational vehicle or truck camper, and a copy of each registration certificate for all collections and refunds of excise tax by the license branch within the county.

(3) Each license branch shall report to the bureau all excise taxes collected and refunds made by the license branch under this chapter in the same manner and at the same time as registration fees are reported.

(4) Premiums for insurance to protect the funds collected by license branches against theft shall be paid by the bureau,

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except that the bureau may issue blanket coverage for all branches. The bureau may:

(A) self-insure to cover the activities of the license branches; or

(B) rather than purchase a bond or crime insurance policy for each branch, purchase a single blanket bond or crime insurance policy endorsed to include faithful performance to cover all branches.

(5) If the services of a license branch are used by the bureau in the collection of the excise tax imposed by this chapter, the license branch shall collect the service charge prescribed under IC 9-29 for each vehicle registered on which an excise tax is collected by that branch.

(6) If the excise tax imposed by this chapter is collected by the department of state revenue, the money collected shall be deposited in the state general fund to the credit of the appropriate county and reported to the bureau on the first working day following the week of collection. Except as provided in subdivision (7), money collected by the department that represents interest or a penalty shall be retained by the department and used to pay the department's costs of enforcing this chapter.

(7) This subdivision applies only to interest or a penalty collected by the department of state revenue from a person who:

(A) fails to properly register a recreational vehicle as required by IC 9-18 and pay the tax due under this chapter; and

(B) during any time after the date by which the recreational vehicle was required to be registered under IC 9-18 displays on the recreational vehicle a license plate issued by another state.

The total amount collected by the department of state revenue that represents interest or a penalty, minus a reasonable amount determined by the department to represent its administrative expenses, shall be deposited in the state general fund to the credit of the county in which the person resides.

The amount shall be reported to the bureau on the first working day following the week of collection.

The bureau may contract with a bank card or credit card vendor for acceptance of bank cards or credit cards. However, if a bank card or credit card vendor charges a vendor transaction charge or

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discount fee, whether billed to the bureau or charged directly to the bureau's account, the bureau shall collect from a person using the card an official fee that may not exceed the highest transaction charge or discount fee charged to the bureau by bank card or credit card vendors during the most recent collection period. The fee may be collected regardless of retail merchant agreements between the bank card and credit card vendors that may prohibit such a fee. The fee is a permitted additional charge under IC 24-4.5-3-202.

(b) On or before April 1 of each year, the bureau shall provide to the auditor of state the amount of taxes collected under this chapter for each county for the preceding year.

(c) On or before May 10 and November 10 of each year, the auditor of state shall distribute to each county one-half (1/2) of:

- (1) the amount of delinquent taxes; and
- (2) any interest or penalty described in subsection (a)(7);

that have been credited to the county under subsection (a). There is appropriated from the state general fund the amount necessary to make the distributions required by this subsection. The county auditor shall apportion and distribute the delinquent tax distributions to the taxing units in the county at the same time and in the same manner as excise taxes are apportioned and distributed under section 22 of this chapter.

(d) The insurance commissioner shall prescribe the form of the bonds or crime insurance policies required by this section.

Sec. 22. (a) The bureau shall establish procedures necessary for the collection and proper accounting of the tax imposed by this chapter. The necessary forms and records are subject to approval by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax collections, shall place the collections into a separate account for settlement at the same time as property taxes are accounted for and settled in June and December of each year, with the right and duty of the county treasurer and county auditor to make advances before the time of final settlement of property taxes in the same manner as provided in IC 5-13-6-3.

(c) The county auditor shall determine the total amount of excise taxes collected under this chapter for each taxing unit in the county. The amount collected shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed.

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(d) The determination under subsection (c) shall be made from copies of vehicle registration forms and receipts for excise taxes paid on truck campers furnished by the bureau. Before the determination, the county assessor shall, from copies of registration forms and receipts, verify information pertaining to legal residence of persons owning taxable recreational vehicles and truck campers from the county assessor's records, to the extent the verification can be made. The county assessor shall further identify and verify from the assessor's records the taxing units within which the persons reside.

(e) Verifications under subsection (d) shall be completed not later than thirty (30) days after receipt of vehicle registration forms and receipts by the county assessor. The county assessor shall certify the information to the county auditor for the county auditor's use when the information is checked and completed.

Sec. 23. The county auditor shall, from the copies of vehicle registration forms and truck camper receipts furnished by the bureau, verify and determine the total amount of excise taxes collected under this chapter for each taxing unit in the county. The bureau shall verify the collections reported by the branches and provide the county auditor adequate and accurate audit information, registration form information, truck camper receipts, records, and materials to support the proper assessment, collection, and refund of excise taxes under this chapter.

Sec. 24. The county auditor shall, not later than August 1 of a year, furnish to the proper officer of each political subdivision an estimate of the money to be distributed to the taxing units under this chapter during the next calendar year. The budget of each political subdivision must show the estimated amounts to be received for each fund for which a property tax is proposed to be levied.

Sec. 25. (a) An owner of a recreational vehicle who knowingly registers the recreational vehicle without paying the tax required by this chapter commits a Class B misdemeanor.

(b) An employee of the bureau or a branch manager or employee of a license branch office who recklessly issues a registration on any recreational vehicle without collecting the tax required to be collected under this chapter with the registration commits a Class B misdemeanor.

Sec. 26. The registration of a recreational vehicle registered without payment of the tax imposed by this chapter is void. The bureau shall take possession of the registration certificate, license

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plate, and other evidence of registration until the owner pays the delinquent taxes and an additional fee of ten dollars (\$10) to compensate the bureau for performing the additional duties.

Sec. 27. In the administration and collection of the taxes imposed by this chapter, the bureau may contract with a collection agency that is authorized to collect and receive property taxes on behalf of the county treasurer. A collection agency with which the bureau contracts may collect on behalf of the bureau the taxes imposed by this chapter and the registration fees and charges as the bureau directs. A collection agency that contracts with the bureau under this section shall comply with the requirements concerning the collection of property taxes on behalf of county treasurers and other requirements, including the posting of a bond, as may be established by the bureau.

Sec. 28. (a) The tax imposed by this chapter is equal to an average property tax rate of two dollars (\$2) on each one hundred dollars (\$100) of taxable value.

(b) For purposes of limitations on indebtedness of political or municipal corporations imposed by Article 13, Section 1 of the Constitution of the State of Indiana, recreational vehicles and truck campers subject to the tax under this chapter are considered to be taxable property within each political or municipal corporation where the owner resides.

(c) The assessed valuation of recreational vehicles and truck campers subject to the tax under this chapter shall be determined by multiplying the amount of the tax by one hundred (100) and dividing the result by two dollars (\$2).

Sec. 29. In the administration and collection of the tax imposed by this chapter, the bureau may coordinate and consolidate the collection of the taxes imposed on all recreational vehicles and truck campers owned by a taxpayer following procedures the bureau considers reasonable and feasible, including the revocation of all registrations of recreational vehicles registered by the owner if the owner willfully fails and refuses to pay the tax imposed by this chapter. Upon a revocation of registration, the bureau shall notify the department of state revenue of the name and address of the taxpayer.

SECTION 3. IC 6-8.1-1-1, AS AMENDED BY P.L.233-2007, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13);



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the slot machine wagering tax (IC 4-35-8); the gross income tax (IC 6-2.1) (repealed); the utility receipts and utility services use taxes (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); **the excise tax imposed on recreational vehicles and truck campers (IC 6-6-5.1)**; the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer.

SECTION 4. IC 6-8.1-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) Except as otherwise provided in this section, the department may not issue a proposed assessment under section 1 of this chapter more than three (3) years after the latest of the date the return is filed, or any of the following:

- (1) the due date of the return; or
 - (2) in the case of a return filed for the state gross retail or use tax, the gasoline tax, the special fuel tax, the motor carrier fuel tax, the oil inspection fee, or the petroleum severance tax, the end of the calendar year which contains the taxable period for which the return is filed.
- (b) If a person files an adjusted gross income tax (IC 6-3), supplemental net income tax (IC 6-3-8) (repealed), county adjusted gross income tax (IC 6-3.5-1.1), county option income tax (IC 6-3.5-6),

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or financial institutions tax (IC 6-5.5) return that understates the person's income, as that term is defined in the particular income tax law, by at least twenty-five percent (25%), the proposed assessment limitation is six (6) years instead of the three (3) years provided in subsection (a).

(c) In the case of the motor vehicle excise tax (IC 6-6-5), the tax shall be assessed as provided in IC 6-6-5-5 and IC 6-6-5-6 and shall include the penalties and interest due on all listed taxes not paid by the due date. A person that fails to properly register a vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5 is considered to have failed to file a return for purposes of this article.

(d) In the case of the commercial vehicle excise tax imposed under IC 6-6-5.5, the tax shall be assessed as provided in IC 6-6-5.5 and shall include the penalties and interest due on all listed taxes not paid by the due date. A person that fails to properly register a commercial vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5.5 is considered to have failed to file a return for purposes of this article.

(e) In the case of the excise tax imposed on recreational vehicles and truck campers under IC 6-6-5.1, the tax shall be assessed as provided in IC 6-6-5.1 and must include the penalties and interest due on all listed taxes not paid by the due date. A person who fails to properly register a recreational vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5.1 is considered to have failed to file a return for purposes of this article. A person who fails to pay the tax due under IC 6-6-5.1 on a truck camper is considered to have failed to file a return for purposes of this article.

~~(e)~~ (f) If a person files a fraudulent, unsigned, or substantially blank return, or if a person does not file a return, there is no time limit within which the department must issue its proposed assessment.

~~(f)~~ (g) If, before the end of the time within which the department may make an assessment, the department and the person agree to extend that assessment time period, the period may be extended according to the terms of a written agreement signed by both the department and the person. The agreement must contain:

- (1) the date to which the extension is made; and
- (2) a statement that the person agrees to preserve the person's records until the extension terminates.

The department and a person may agree to more than one (1) extension under this subsection.

~~(g)~~ (h) If a taxpayer's federal income tax liability for a taxable year is modified due to the assessment of a federal deficiency or the filing of an amended federal income tax return, then the date by which the

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department must issue a proposed assessment under section 1 of this chapter for tax imposed under IC 6-3 is extended to six (6) months after the date on which the notice of modification is filed with the department by the taxpayer.

SECTION 5. IC 6-8.1-7-1, AS AMENDED BY P.L.219-2007, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) This subsection does not apply to the disclosure of information concerning a conviction on a tax evasion charge. Unless in accordance with a judicial order or as otherwise provided in this chapter, the department, its employees, former employees, counsel, agents, or any other person may not divulge the amount of tax paid by any taxpayer, terms of a settlement agreement executed between a taxpayer and the department, investigation records, investigation reports, or any other information disclosed by the reports filed under the provisions of the law relating to any of the listed taxes, including required information derived from a federal return, except to:

- (1) members and employees of the department;
- (2) the governor;
- (3) the attorney general or any other legal representative of the state in any action in respect to the amount of tax due under the provisions of the law relating to any of the listed taxes; or
- (4) any authorized officers of the United States;

when it is agreed that the information is to be confidential and to be used solely for official purposes.

(b) The information described in subsection (a) may be revealed upon the receipt of a certified request of any designated officer of the state tax department of any other state, district, territory, or possession of the United States when:

- (1) the state, district, territory, or possession permits the exchange of like information with the taxing officials of the state; and
- (2) it is agreed that the information is to be confidential and to be used solely for tax collection purposes.

(c) The information described in subsection (a) relating to a person on public welfare or a person who has made application for public welfare may be revealed to the director of the division of family resources, and to any director of a county office of family and children located in Indiana, upon receipt of a written request from either director for the information. The information shall be treated as confidential by the directors. In addition, the information described in subsection (a) relating to a person who has been designated as an absent parent by the state Title IV-D agency shall be made available to the state Title IV-D agency upon request. The information shall be subject to the

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information safeguarding provisions of the state and federal Title IV-D programs.

(d) The name, address, Social Security number, and place of employment relating to any individual who is delinquent in paying educational loans owed to a postsecondary educational institution may be revealed to that institution if it provides proof to the department that the individual is delinquent in paying for educational loans. This information shall be provided free of charge to approved postsecondary educational institutions (as defined by IC 21-7-13-6(a)). The department shall establish fees that all other institutions must pay to the department to obtain information under this subsection. However, these fees may not exceed the department's administrative costs in providing the information to the institution.

(e) The information described in subsection (a) relating to reports submitted under IC 6-6-1.1-502 concerning the number of gallons of gasoline sold by a distributor and IC 6-6-2.5 concerning the number of gallons of special fuel sold by a supplier and the number of gallons of special fuel exported by a licensed exporter or imported by a licensed transporter may be released by the commissioner upon receipt of a written request for the information.

(f) The information described in subsection (a) may be revealed upon the receipt of a written request from the administrative head of a state agency of Indiana when:

- (1) the state agency shows an official need for the information; and
- (2) the administrative head of the state agency agrees that any information released will be kept confidential and will be used solely for official purposes.

(g) The name and address of retail merchants, including township, as specified in IC 6-2.5-8-1(j) may be released solely for tax collection purposes to township assessors and county assessors.

(h) The department shall notify the appropriate innkeepers' tax board, bureau, or commission that a taxpayer is delinquent in remitting innkeepers' taxes under IC 6-9.

(i) All information relating to the delinquency or evasion of the motor vehicle excise tax may be disclosed to the bureau of motor vehicles in Indiana and may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.

(j) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable to the bureau of motor vehicles in Indiana may be disclosed to the bureau and may be

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disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

(k) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable under the International Registration Plan may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

(l) All information relating to the delinquency or evasion of the excise taxes imposed on recreational vehicles and truck campers that are payable to the bureau of motor vehicles in Indiana may be disclosed to the bureau and may be disclosed to another state if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.1.

~~(m)~~ (m) This section does not apply to:

- (1) the beer excise tax (IC 7.1-4-2);
- (2) the liquor excise tax (IC 7.1-4-3);
- (3) the wine excise tax (IC 7.1-4-4);
- (4) the hard cider excise tax (IC 7.1-4-4.5);
- (5) the malt excise tax (IC 7.1-4-5);
- (6) the motor vehicle excise tax (IC 6-6-5);
- (7) the commercial vehicle excise tax (IC 6-6-5.5); and
- (8) the fees under IC 13-23.

~~(m)~~ (n) The name and business address of retail merchants within each county that sell tobacco products may be released to the division of mental health and addiction and the alcohol and tobacco commission solely for the purpose of the list prepared under IC 6-2.5-6-14.2.

SECTION 6. IC 6-8.1-9-1, AS AMENDED BY P.L.211-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) If a person has paid more tax than the person determines is legally due for a particular taxable period, the person may file a claim for a refund with the department. Except as provided in subsections (f) and (g), in order to obtain the refund, the person must file the claim with the department within three (3) years after the latter of the following:

- (1) The due date of the return.
- (2) The date of payment.

For purposes of this section, the due date for a return filed for the state gross retail or use tax, the gasoline tax, the special fuel tax, the motor carrier fuel tax, the oil inspection fee, or the petroleum severance tax is the end of the calendar year which contains the taxable period for which the return is filed. The claim must set forth the amount of the

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refund to which the person is entitled and the reasons that the person is entitled to the refund.

(b) When the department receives a claim for refund, the department shall consider the claim for refund and shall, if the taxpayer requests, hold a hearing on the claim for refund to obtain and consider additional evidence. After considering the claim and all evidence relevant to the claim, the department shall issue a decision on the claim, stating the part, if any, of the refund allowed and containing a statement of the reasons for any part of the refund that is denied. The department shall mail a copy of the decision to the person who filed the claim. If the department allows the full amount of the refund claim, a warrant for the payment of the claim is sufficient notice of the decision.

(c) If the person disagrees with any part of the department's decision, the person may appeal the decision, regardless of whether or not the person protested the tax payment or whether or not the person has accepted a refund. The person must file the appeal with the tax court. The tax court does not have jurisdiction to hear a refund appeal suit, if:

- (1) the appeal is filed more than three (3) years after the date the claim for refund was filed with the department;
- (2) the appeal is filed more than ninety (90) days after the date the department mails the decision of denial to the person; or
- (3) the appeal is filed both before the decision is issued and before the one hundred eighty-first day after the date the person files the claim for refund with the department.

(d) The tax court shall hear the appeal de novo and without a jury, and after the hearing may order or deny any part of the appealed refund. The court may assess the court costs in any manner that it feels is equitable. The court may enjoin the collection of any of the listed taxes under IC 33-26-6-2. The court may also allow a refund of taxes, interest, and penalties that have been paid to and collected by the department.

(e) With respect to the motor vehicle excise tax, this section applies only to penalties and interest paid on assessments of the motor vehicle excise tax. Any other overpayment of the motor vehicle excise tax is subject to IC 6-6-5.

(f) If a taxpayer's federal income tax liability for a taxable year is modified by the Internal Revenue Service, and the modification would result in a reduction of the tax legally due, the due date by which the taxpayer must file a claim for refund with the department is the later of:

- (1) the date determined under subsection (a); or
- (2) the date that is six (6) months after the date on which the

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taxpayer is notified of the modification by the Internal Revenue Service.

(g) If an agreement to extend the assessment time period is entered into under ~~IC 6-8.1-5-2(f)~~, **IC 6-8.1-5-2(g)**, the period during which a person may file a claim for a refund under subsection (a) is extended to the same date to which the assessment time period is extended.

SECTION 7. IC 6-8.1-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) If a person fails to file a return or to make a full tax payment with that return with the fraudulent intent of evading the tax, the person is subject to a penalty.

(b) The amount of the penalty imposed for a fraudulent failure described in subsection (a) is one hundred percent (100%) multiplied by:

- (1) the full amount of the tax, if the person failed to file a return; or
- (2) the amount of the tax that is not paid, if the person failed to pay the full amount of the tax.

(c) In addition to the civil penalty imposed under this section, a person who knowingly fails to file a return with the department or fails to pay the tax due under IC 6-6-5, **IC 6-6-5.1**, or IC 6-6-5.5 commits a Class A misdemeanor.

(d) The penalty imposed under this section is imposed in place of and not in addition to the penalty imposed under section 2.1 of this chapter.

SECTION 8. IC 9-14-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. The commissioner shall appoint and fix, subject to the approval of the governor, the salaries of the deputies, subordinate officers, clerks, and other employees necessary to carry out this title, IC 6-6-5, **IC 6-6-5.1**, IC 6-6-5.5, and IC 6-6-11.

SECTION 9. IC 9-17-2-1, AS AMENDED BY P.L.219-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) This section does not apply to an off-road vehicle that is at least five (5) model years old.

(b) Within sixty (60) days ~~of~~ **after** becoming an Indiana resident, a person must obtain a certificate of title for all vehicles owned by the person that:

- (1) are subject to the motor vehicle excise tax under IC 6-6-5; or
 - (2) are off-road vehicles;
- and that will be operated in Indiana.

(c) Within sixty (60) days after becoming an Indiana resident, a

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person shall obtain a certificate of title for all commercial vehicles owned by the person that:

- (1) are subject to the commercial vehicle excise tax under IC 6-6-5.5;
- (2) are not subject to proportional registration under the International Registration Plan; and
- (3) will be operated in Indiana.

(d) Within sixty (60) days after becoming an Indiana resident, a person must obtain a certificate of title for all recreational vehicles owned by the person that:

- (1) are subject to the excise tax imposed under IC 6-6-5.1; and**
- (2) will be operated in Indiana.**

~~(d)~~ **(e)** A person must produce evidence concerning the date on which the person became an Indiana resident.

SECTION 10. IC 9-18-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Within sixty (60) days ~~of~~ **after** becoming an Indiana resident, a person must register all motor vehicles owned by the person that:

- (1) are subject to the motor vehicle excise tax under IC 6-6-5; and
- (2) will be operated in Indiana.

(b) Within sixty (60) days after becoming an Indiana resident, a person must register all commercial vehicles owned by the person that:

- (1) are subject to the commercial vehicle excise tax under IC 6-6-5.5;
- (2) are not subject to proportional registration under the International Registration Plan; and
- (3) will be operated in Indiana.

(c) Within sixty (60) days after becoming an Indiana resident, a person must register all recreational vehicles owned by the person that:

- (1) are subject to the excise tax imposed under IC 6-6-5.1; and**
- (2) will be operated in Indiana.**

~~(c)~~ **(d)** A person must produce evidence concerning the date on which the person became an Indiana resident.

~~(d)~~ **(e)** Except as provided in subsection ~~(c)~~, **(f)**, an Indiana resident must register all motor vehicles operated in Indiana.

~~(e)~~ **(f)** An Indiana resident who has a legal residence in a state that is not contiguous to Indiana may operate a motor vehicle in Indiana for not more than sixty (60) days without registering the motor vehicle in Indiana.

~~(f)~~ **(g)** An Indiana resident who has registered a motor vehicle in Indiana in any previous registration year is not required to register the

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motor vehicle, is not required to pay motor vehicle excise tax under IC 6-6-5 or the commercial vehicle excise tax under IC 6-6-5.5 on the motor vehicle, and is exempt from property tax on the motor vehicle for any registration year in which:

(1) the Indiana resident is:

(A) an active member of the armed forces of the United States; and

(B) assigned to a duty station outside Indiana; and

(2) the motor vehicle is not operated inside or outside Indiana.

This subsection may not be construed as granting the bureau authority to require the registration of any vehicle that is not operated in Indiana.

~~(g)~~ **(h)** When an Indiana resident registers a motor vehicle in Indiana after the period of exemption described in subsection ~~(f)~~, **(g)**, the Indiana resident may submit an affidavit that:

(1) states facts demonstrating that the motor vehicle is a motor vehicle described in subsection ~~(e)~~, **(g)**; and

(2) is signed by the owner of the motor vehicle under penalties of perjury;

as sufficient proof that the owner of the motor vehicle is not required to register the motor vehicle during a registration year described in subsection ~~(f)~~, **(g)**. The commission or bureau may not require the Indiana resident to pay any civil penalty or any reinstatement or other fee that is not also charged to other motor vehicles being registered in the same registration year.

SECTION 11. [EFFECTIVE JANUARY 1, 2009] (a) The definitions in IC 6-6-5.1, as added by this act, apply throughout this SECTION.

(b) IC 6-6-5.1, as added by this act, applies to recreational vehicles registered and truck campers located in Indiana after December 31, 2009.

(c) After December 31, 2008, a recreational vehicle or truck camper, except for a recreational vehicle or truck camper held in the inventory of recreational vehicles and truck campers held for sale by a manufacturer, distributor, or dealer in the course of business, may not be assessed as personal property for the purpose of the assessment and levy of personal property taxes.

(d) This SECTION expires January 1, 2011.

SECTION 12. [EFFECTIVE JANUARY 1, 2009] (a) The definitions in IC 6-6-5.1, as added by this act, apply throughout this SECTION.

(b) The bureau shall certify to the department of local government finance the amount of excise tax collected under

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IC 6-6-5.1, as added by this act, and distributed to each county auditor in calendar year 2010.

(c) Each county auditor shall certify to the department of local government finance the amount of excise tax collected under IC 6-6-5.1, as added by this act, and distributed to each taxing unit in the county in calendar year 2010.

(d) This SECTION expires January 1, 2012.

SECTION 13. [EFFECTIVE JANUARY 1, 2009] (a) For property taxes due and payable in calendar year 2010, the department of local government finance shall make a reduction in the maximum permissible ad valorem property tax levy for each taxing unit to account for the removal of assessed value under IC 6-6-5.1, as added by this act.

(b) For property taxes due and payable in calendar year 2011, a taxing unit may petition the department of local government finance to adjust the taxing unit's maximum permissible ad valorem property tax levy to neutralize the effects of:

- (1) the removal of assessed value under IC 6-6-5.1, as added by this act; and
- (2) the amount of excise taxes collected under IC 6-6-5.1, as added by this act, in calendar year 2010.

An adjustment made under this subsection applies to all subsequent calendar years.

(c) This SECTION expires January 1, 2012."

Renumber all SECTIONS consecutively.

(Reference is to HB 1125 as printed on January 17, 2008.)

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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1125, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 19, between lines 36 and 37, begin a new paragraph and insert:

"SECTION 4. IC 6-8-12-1, AS ADDED BY P.L.234-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. As used in this chapter, "eligible entity" means:

- (1) the National Football League and its affiliates; ~~as defined in the National Football League document titled "SUPER BOWL~~

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~~XLV HOST CITY BID SPECIFICATIONS & REQUIREMENTS" dated October 2006; and~~

(2) the National Collegiate Athletic Association and its affiliates.

SECTION 5. IC 6-8-12-2, AS ADDED BY P.L.234-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. As used in this chapter, "eligible event" means:

(1) an event known as the Super Bowl that is conducted after December 31, 2011, by an eligible entity described in section 1(1) of this chapter; or

(2) an event known as the Men's Final Four or the Women's Final Four, including the ancillary events associated with the Men's Final Four or the Women's Final Four, that is conducted after December 31, 2011, by an eligible entity described in section 1(2) of this chapter."

Page 28, between lines 23 and 24, begin a new paragraph and insert: "SECTION 14. IC 9-29-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. The service charge for each excise tax collection made under IC 6-6-5, **IC 6-6-5.1**, or IC 6-6-5.5 is eighty-five cents (\$0.85).".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1125 as reprinted January 25, 2008.)

KENLEY, Chairperson

Committee Vote: Yeas 8, Nays 0.

SENATE MOTION

Madam President: I move that Senator Simpson be added as second sponsor of Engrossed House Bill 1125.

KENLEY

SENATE MOTION

Madam President: I move that Engrossed House Bill 1125 be amended to read as follows:

Page 2, between lines 3 and 4, begin a new paragraph and insert:

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"SECTION 2. IC 6-3-1-3.5, AS AMENDED BY P.L.144-2007, SECTION 3, AS AMENDED BY P.L.211-2007, SECTION 19, AND AS AMENDED BY P.L.223-2007, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).

(4) Subtract one thousand dollars (\$1,000) for:

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) for taxable years beginning after December 31, 2004, one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004); and

(B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that

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taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars (\$2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of

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a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal

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income tax purposes.

(23) Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.

~~(23)~~ **(24)** *Subtract income that is:*

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the individual's federal adjusted gross income under the Internal Revenue Code.

(25) Subtract any amount of a credit (including an advance refund of the credit) that is provided to an individual under 26 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and included in the individual's federal adjusted gross income.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to

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the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.

(10) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).

~~(10)~~ (11) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the corporation's taxable income under the Internal Revenue Code.

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an

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earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) *Subtract income that is:*

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus

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depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the insurance company's taxable income under the Internal Revenue Code.*

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus

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depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(7) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the taxpayer's taxable income under the Internal Revenue Code.*

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars (\$2,500)."

Page 30, between lines 8 and 9, begin a new paragraph and insert:
"SECTION 20. [EFFECTIVE JANUARY 1, 2008

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(RETROACTIVE)] **IC 6-3-1-3.5, as amended by this act, applies to taxable years beginning after December 31, 2007."**

Renumber all SECTIONS consecutively.

(Reference is to EHB 1125 as printed February 13, 2008.)

KENLEY

SENATE MOTION

Madam President: I move that Engrossed House Bill 1125 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-1-11, AS AMENDED BY P.L.214-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. (a) Subject to the limitation contained in subsection (b), "personal property" means:

- (1) nursery stock that has been severed from the ground;
- (2) florists' stock of growing crops which are ready for sale as pot plants on benches;
- (3) billboards and other advertising devices which are located on real property that is not owned by the owner of the devices;
- (4) ~~motor vehicles~~; mobile houses **and** airplanes; ~~boats not subject to the boat excise tax under IC 6-6-11; and trailers not subject to the trailer tax under IC 6-6-5;~~
- (5) foundations (other than foundations which support a building or structure) on which machinery or equipment is installed; and
- (6) all other tangible property (other than real property) which is being:
 - (A) held for sale in the ordinary course of a trade or business;
 - (B) held, used, or consumed in connection with the production of income; or
 - (C) held as an investment.

(b) Personal property does not include the following:

- (1) Commercially planted and growing crops while they are in the ground.
- (2) Computer application software that is not held as inventory (as defined in IC 6-1.1-3-11)."

Page 2, between lines 3 and 4, begin a new line block indented and insert:

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"(7) Truck bodies (including truck campers), all-terrain vehicles (ATVs), motorhomes, fifth wheel trailers, travel trailers, trailers, snowmobiles, rowboats, canoes, and other nonmotorized boats (other than sail boats).

SECTION 3. IC 6-1.1-2-7.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 7.1. Except as otherwise provided, the bureau of motor vehicles shall adopt rules establishing an excise tax rate for the items listed in section 7(7) of this chapter.**

SECTION 4. IC 6-3-1-3.5, AS AMENDED BY P.L.144-2007, SECTION 3, AS AMENDED BY P.L.211-2007, SECTION 19, AND AS AMENDED BY P.L.223-2007, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).

(4) Subtract one thousand dollars (\$1,000) for:

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) for taxable years beginning after December 31, 2004, one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004); and

(B) five hundred dollars (\$500) for each additional amount

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allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars (\$2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount

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which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to

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the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(23) *Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.*

~~(23)~~ (24) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the individual's federal adjusted gross income under the Internal Revenue Code.*

(25) Subtract any amount of a credit (including an advance refund of the credit) that is provided to an individual under 26 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and included in the individual's federal adjusted gross income.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made

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under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.

(10) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).

~~(10)~~ **(11)** Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the corporation's taxable income under the Internal Revenue Code.

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable

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under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the insurance company's taxable income under the Internal Revenue Code.*

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

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(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the insurance company's taxable income under the Internal Revenue Code.*

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal

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adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(7) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the taxpayer's taxable income under the Internal Revenue Code.*

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003,

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assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars (\$2,500).".

Page 29, delete lines 37 through 42.

Page 30, delete lines 1 through 4.

Page 30, line 5, delete "(c)" and insert "(b)".

Page 30, between lines 8 and 9, begin a new paragraph and insert:
"SECTION 22. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **IC 6-3-1-3.5, as amended by this act, applies to taxable years beginning after December 31, 2007.**".

Renumber all SECTIONS consecutively.

(Reference is to EHB 1125 as reprinted February 13, 2008.)

KENLEY

SENATE MOTION

Madam President: I move that Engrossed House Bill 1125 be amended to read as follows:

Page 2, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 2. IC 6-2.5-5-41, AS AMENDED BY P.L.235-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 41. (a) As used in this section, "qualified media production" has the meaning set forth in IC 6-3.1-32-5.

(b) Except as provided in ~~subsections~~ **subsection** (d), ~~and (c)~~; a transaction involving tangible personal property is exempt from the state gross retail tax if the person acquiring the property acquires it for the person's direct use in a qualified media production in Indiana after December 31, 2006.

(c) For purposes of this section, the following are not considered to be directly used in the production of a qualified media production:

- (1) Food and beverage services.
- (2) A vehicle or other means of transportation used to transport actors, performers, crew members, or any other individual involved in a qualified media production.
- (3) Fuel, parts, supplies, or other consumables used in a vehicle

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or other means of transportation used to transport actors, performers, crew members, or any other individual involved in a qualified media production.

(4) Lodging.

(5) Packaging materials.

(d) A person is not entitled to an exemption under this section with respect to a transaction involving tangible personal property that is:

(1) a qualified production expenditure (as defined in IC 6-3.1-32-6) for which a tax credit is claimed under IC 6-3.1-32; or

(2) acquired for direct use in a qualified media production in Indiana if the transaction occurs after December 31, ~~2008~~ 2011.

Page 2, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 4. IC 6-3.1-32-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 0.5. As used in this chapter, "affiliated group" means any combination of the following:**

(1) An affiliated group within the meaning provided in Section 1504 of the Internal Revenue Code (except that the ownership percentage in Section 1504(a)(2) of the Internal Revenue Code shall be determined using fifty percent (50%) instead of eighty percent (80%)) or a pass through entity if a member of the affiliated group is a shareholder, partner, or member of the pass through entity and the member of the affiliated group is entitled to at least fifty percent (50%) of the distributive income or loss of the pass through entity.

(2) Two (2) or more partnerships (as defined in IC 6-3-1-19), including limited liability companies and limited liability partnerships, that have the same degree of mutual ownership as an affiliated group described in subdivision (1), as determined under rules adopted by the department.

SECTION 5. IC 6-3.1-32-6, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) As used in this chapter, "qualified production expenditure" means any of the following expenses incurred in Indiana or expenditures in Indiana made in the direct production of a qualified media production in Indiana:

(1) The payment of wages, salaries, and benefits to Indiana residents.

(2) Acquisition costs for a story or scenario used in the qualified media production.

(3) Acquisition costs for locations, sets, wardrobes, and

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accessories.

(4) Expenditures for materials used to make sets, wardrobes, and accessories.

(5) Expenditures for photography, sound synchronization, lighting, and related services.

(6) Expenditures for editing and related services.

(7) Facility and equipment rentals.

~~(8) Food and lodging.~~

~~(9)~~ **(8)** Legal services if purchased from an attorney licensed to practice law in Indiana.

~~(10) Any other production expenditure for which taxes are assessed or imposed by the state.~~

(b) The term does not include expenditures for payments of wages, salaries, or benefits to an individual who is a director, a producer, a screenwriter, or an actor (excluding extras), unless the individual is a resident of Indiana.

SECTION 6. IC 6-3.1-32-8, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. As used in this chapter, "taxpayer" means an individual, **affiliated group**, or entity that has any state tax liability.

SECTION 7. IC 6-3.1-32-9, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. A qualified applicant that

(1) incurs or makes qualified production expenditures; ~~of:~~

~~(A) at least one hundred thousand dollars (\$100,000); in the case of a qualified media production described in section 5(a)(1) of this chapter; or~~

~~(B) at least fifty thousand dollars (\$50,000); in the case of a qualified media production described in section 5(a)(2); 5(a)(3); 5(a)(4); or 5(a)(5) of this chapter; and~~

(2) satisfies the requirements of this chapter;

is entitled to a ~~refundable~~ tax credit as provided in this chapter.

SECTION 8. IC 6-3.1-32-10, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. This section applies to a taxpayer that claims qualified production expenditures of less than ~~six two~~ million dollars ~~(\$6,000,000)~~ **(\$2,000,000)** in a taxable year for purposes of the tax credit under this chapter. **Subject to section 14 of this chapter**, the amount of the tax credit to which a taxpayer is entitled under this chapter equals **the lesser of:**

(1) the product of:

~~(1)~~ **(A)** fifteen percent (15%); multiplied by

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~~(2)~~ **(B)** the amount of the taxpayer's qualified production expenditures in the taxable year; **or**

(2) five thousand dollars (\$5,000).

SECTION 9. IC 6-3.1-32-11, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. This section applies to a taxpayer that claims qualified production expenditures of at least ~~six~~ **two** million dollars ~~(\$6,000,000)~~ **(\$2,000,000)** in a taxable year for purposes of the tax credit under this chapter. **Subject to section 14 of this chapter**, if the corporation approves the granting of a tax credit to the taxpayer under section 13 of this chapter, the amount of the tax credit to which the taxpayer is entitled under this chapter equals the product of:

(1) the percentage determined by the corporation under section 13 of this chapter; multiplied by

(2) the amount of the taxpayer's qualified production expenditures in the taxable year.

SECTION 10. IC 6-3.1-32-14, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 14. ~~If~~ The amount of the tax credit provided under this chapter to a taxpayer in a taxable year ~~exceeds~~ **may not exceed** the taxpayer's state tax liability for that taxable year. ~~the A~~ taxpayer is **not** entitled to a **carryback, carryover, or** refund of ~~the excess. any unused credit.~~

Renumber all SECTIONS consecutively.

(Reference is to EHB 1125 as printed February 13, 2008.)

KENLEY

SENATE MOTION

Madam President: I move that Engrossed House Bill 1125, which is eligible for third reading, be returned to second reading for purposes of amendment.

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SENATE MOTION

Madam President: I move that Senator Dillon be added as cosponsor of Engrossed House Bill 1125.

KENLEY

SENATE MOTION

Madam President: I move that Engrossed House Bill 1125 be amended to read as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-1-11, AS AMENDED BY P.L.214-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. (a) Subject to the limitation contained in subsection (b), "personal property" means:

- (1) nursery stock that has been severed from the ground;
- (2) florists' stock of growing crops which are ready for sale as pot plants on benches;
- (3) billboards and other advertising devices which are located on real property that is not owned by the owner of the devices;
- ~~(4) motor vehicles, mobile houses, airplanes, boats not subject to the boat excise tax under IC 6-6-11, and trailers not subject to the trailer tax under IC 6-6-5;~~
- ~~(5)~~ (4) foundations (other than foundations which support a building or structure) on which machinery or equipment:
 - (A) held for sale in the ordinary course of a trade or business;
 - (B) held, used, or consumed in connection with the production of income; or
 - (C) held as an investment;

is installed; ~~and~~

~~(6)~~ (5) all other tangible property (other than real property) which is being:

- (A) held for sale in the ordinary course of a trade or business;
- (B) held, used, or consumed in connection with the production of income; or
- (C) held as an investment; **and**

(6) mobile homes that do not qualify as real property and are not described in subdivision (5).

(b) Personal property does not include the following:

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(1) Commercially planted and growing crops while ~~they are~~ in the ground.

(2) Computer application software that is not held as inventory (as defined in IC 6-1.1-3-11).".

Page 2, delete lines 1 through 8.

Page 2, line 16, after "A" insert "**motorized**".

Page 2, line 16, after "A boat" insert "**or sailboat**".

Page 2, delete lines 29 through 37

Page 41, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 29. [EFFECTIVE JANUARY 1, 2009] (a) **The definitions in IC 6-1.1-1 and IC 6-6-5.1, as added by this act, apply throughout this SECTION. As used in this SECTION, "nonbusiness personal property" means personal property that is not:**

- (1) held for sale in the ordinary course of a trade or business;**
- (2) held, used, or consumed in connection with the production of income; or**
- (3) held as an investment.**

(b) The purpose of the amendment of IC 6-1.1-1-11 and the addition of IC 6-6-5.1 by this act is to exempt nonbusiness personal property (other than mobile homes) from property taxation to the fullest extent allowed under Article 10, Section 1 of the Constitution of the State of Indiana. The general assembly finds that nonbusiness personal property consisting of:

- (1) self-propelled vehicles that are not designed or regularly used for transporting property or persons on a public highway, such as invalid chairs, snowmobiles, yard and garden tractors, and all terrain vehicles;**
- (2) trailers not subject to an excise tax under IC 6-6-5, IC 6-6-5.1, as added by this act, or IC 6-6-5.5;**
- (3) human powered boats not subject to an excise tax under IC 6-6-11; or**
- (4) similar property;**

is not the type of property that must be subject to an excise tax in order to be exempted from property taxation. However, if a property tax exemption granted by this act is determined to be invalid, all remaining exemptions granted by this act that are not determined to be invalid shall be treated as severable under IC 1-1-1-8.

(c) After February 28, 2009:

- (1) nonbusiness personal property may not be assessed as personal property under IC 6-1.1 for property tax purposes;**

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(2) a lien for property taxes first due and payable after December 31, 2009, does not attach to nonbusiness personal property; and

(3) the department of local government finance, a county auditor, or an assessing official may not require an individual or entity to file a personal property tax return for nonbusiness personal property.

(d) The department of local government finance may modify property tax levies and property tax rates of a taxing unit to eliminate the effects of the elimination of property taxation of nonbusiness personal property and the implementation of an excise tax on recreational vehicles and truck campers by this act, including an action to increase or impose a property tax:

(1) in the manner provided in IC 6-1.1-21.2 to replace revenue lost in an allocation area and needed to pay leases or debt service; or

(2) in a taxing unit to replace a reduction in distributions under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 that were pledged to pay leases or debt service.

Instead of imposing an additional property tax rate under this SECTION to replace revenue lost as the result of an exemption granted under this act, the department of local government finance may order that excise tax revenues received in a county under IC 6-6-5.1, as added by this act, be first applied to replace the lost revenues. The allocated excise tax revenues shall be deducted before making other distributions under IC 6-6-5.1, as added by this act. The department of local government finance may require a taxing unit or other affected party to petition the department of local government finance, under the terms, on the forms, and on the schedule determined by the department of local government finance, as a precondition to modifying a tax levy or tax rate or allocating excise tax revenues under this SECTION.

(e) County auditors and assessing officials shall provide the bureau of motor vehicles and the department of state revenue with the information from personal property tax returns and related records needed by the bureau of motor vehicles and the department of state revenue to implement IC 6-6-5.1, as added by this act, in 2009 on the schedule, in the manner and in the form required by the department of local government finance.

(f) Notwithstanding this act, the definition of personal property in IC 6-1.1-1-11, as effective before January 1, 2009, applies for purposes of applying IC 6-1.1-23-2 and other provisions related to

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the collection of delinquent property taxes for levies that became a lien on property before January 1, 2009."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1125 as reprinted February 22, 2008.)

KENLEY

SENATE MOTION

Madam President: I move that Engrossed House Bill 1125 be amended to read as follows:

Page 13, delete lines 21 through 42, begin a new paragraph and insert:

"SECTION 10. IC 6-3.1-32-9, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. A qualified applicant that:

- (1) incurs or makes qualified production expenditures of ~~(A) at least one five hundred thousand dollars (\$100,000); in the case of a qualified media production described in section 5(a)(1) of this chapter; or~~
~~(B) at least fifty thousand dollars (\$50,000); in the case of a qualified media production described in section 5(a)(2), 5(a)(3), 5(a)(4), or 5(a)(5) of this chapter; and (\$500,000) during a taxable year;~~

- (2) enters into an agreement with the corporation under section 13 of this chapter; and**

~~(2) (3)~~ satisfies the **other** requirements of this chapter; is entitled to a ~~refundable~~ tax credit as provided in this chapter.

SECTION 11. IC 6-3.1-32-11, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. ~~This section applies to a taxpayer that claims qualified production expenditures of at least six million dollars (\$6,000,000) in a taxable year for purposes of the tax credit under this chapter.~~ If the corporation approves the granting of a tax credit to the taxpayer under section 13 of this chapter, the amount of the tax credit to which the taxpayer is entitled under this chapter equals the product of:

- (1) the percentage determined by the corporation under section 13 of this chapter; multiplied by
- (2) the amount of the taxpayer's qualified production expenditures in the taxable year.

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SECTION 12. IC 6-3.1-32-12, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. ~~(a)~~ To receive the tax credit provided by this chapter, a taxpayer must claim the tax credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department: ~~att~~

(1) a copy of the agreement entered into by the corporation and the taxpayer under section 13 of this chapter for the tax credit; and

(2) any other information that the department determines is necessary for the calculation of the credit provided under this chapter.

~~(b) In the case of a taxpayer that claims a tax credit under section 11 of this chapter, the taxpayer must also file with the taxpayer's annual state tax return or returns a copy of the agreement entered into by the corporation and the taxpayer under section 13 of this chapter for the tax credit.~~

SECTION 13. IC 6-3.1-32-13, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. (a) A taxpayer that proposes to claim a tax credit under ~~section 11 of~~ this chapter must, before incurring or making the qualified production expenditures, apply to the corporation for approval of the tax credit.

(b) After receiving an application under subsection (a), the corporation may enter into an agreement with the applicant for a tax credit under ~~section 11 of~~ this chapter if the corporation determines that:

(1) the applicant's proposed qualified media production:
 (A) is economically viable; and
 (B) will increase economic growth and job creation in Indiana;
 and

(2) the applicant's proposed qualified media production and qualified production expenditures otherwise satisfy the requirements of this chapter; and

(3) the applicant will make or incur qualified production expenses of at least five hundred thousand dollars (\$500,000) during the taxable year for which the credit is claimed.

(c) If the corporation and an applicant enter into an agreement under this section, the agreement must specify the following:

(1) The percentage to be used under section 11(1) of this chapter in determining the amount of the tax credit. The percentage may not be more than fifteen percent (15%).

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(2) Any requirements or restrictions that the applicant must satisfy before the applicant may claim the tax credit.

(3) The extent, if any, to which the tax credit is refundable if the amount of the tax credit exceeds the taxpayer's state tax liability for the taxable year.

(d) The maximum amount of tax credits that the corporation may approve under this ~~section~~ **chapter** during a particular taxable year for all taxpayers is five million dollars (\$5,000,000).

SECTION 14. IC 6-3.1-32-14, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 14. If the amount of the tax credit provided under this chapter to a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer is entitled to a refund of the excess **only to the extent provided by the agreement entered into by the corporation and the taxpayer under section 13 of this chapter. A taxpayer is not entitled to a carryback or carryover of any unused credit."**

Page 14, delete lines 1 through 23.

Page 40, between lines 33 and 34, begin a new paragraph and insert: "SECTION 26. IC 6-3.1-32-10 IS REPEALED [EFFECTIVE JULY 1, 2008].".

Re-number all SECTIONS consecutively.

(Reference is to EHB 1125 as reprinted February 22, 2008.)

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